

# IDAHO EMPLOYMENT

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## State Overview

### IDAHO'S JULY UNEMPLOYMENT RATE INCREASED TO 5.6 PERCENT

Idaho's seasonally adjusted unemployment rate for July 2003 was 5.6 percent, up four-tenths of a percentage point from June and two-tenths of a percentage point below the 5.8 percent rate experienced one year ago. The current July unemployment rate remained below the national rate of 6.2 percent, which was down from 6.4 percent in June.

The number of unemployed persons in Idaho increased for the second consecutive month to 38,700 in July, up 3,000 from June 2003. The number of employed persons in July decreased from June by 4,200 to 650,200. This was the second consecutive monthly decrease in the number of employed persons, following a 1,700-person increase in May. The changes resulted in a *Civilian Labor Force* of 688,900 in July, down 1,200, or 0.2 percent, from June 2003. This was the fourth consecutive monthly decrease and brought Idaho's labor force to its lowest level since December 2002.

The four-tenths of a percentage point increase between June and July in Idaho's unemployment rate was significant. However, any month-over-month changes should be viewed with caution. Seasonal patterns, the timing of business openings and closings, and weather are just a few of the factors that could affect the monthly unemployment rate. Changes in the economy are more commonly reflected in the year-over-year numbers. Between July 2002 and July 2003, there were 4,800 more Idahoans employed, an increase of 0.7 percent, and a decrease in the number of people unemployed by 1,000 or 2.5 percent.

The changes in the number of persons employed and unemployed since July 2002 created a small increase in the labor force of 0.6 percent, or 3,800, year-over-year. The small increase in the labor force from July 2002 to July 2003 is a reflection that Idaho's economy is struggling to recover from significant employment losses that began to occur in 2001. Although Idaho's economy has been able to create new jobs, it has not been able to keep up with the demand in the labor supply.

### Area and County Labor Force Highlights

Seven Idaho counties experienced double-digit unemployment rates in July. Adams County had the highest unemployment rate at 17.6 percent in July, up from 12.8 percent in June and 14.5 percent in July 2002. Shoshone County's rate of 13.3 percent was up from 10.7 percent in June and 12.4 percent in July 2002. Boundary County had 11.4 percent unemployment in July 2003, compared to 10.1 percent in June and 6.8 percent in July 2002. Washington County's rate of 13.0 percent was up from 10.4 percent in June and 10.1 percent in July 2002. Clearwater County experienced 10.8 percent unemployment in July 2003, compared to 9.8 percent in June and 14.1 percent in July 2002. Payette County had a 10.2 percent

unemployment rate in July 2003, compared to 8.5 percent in June and 7.5 percent in July 2002.

Only two counties, Madison and Owyhee, had unemployment rates below 3.0 percent: Madison at 1.6 percent and Owyhee at 2.4 percent. Madison County in Eastern Idaho has a relatively small permanent population, but a large influx of students at BYU-Idaho. Owyhee County is in Idaho's southwest corner and is Idaho's second largest county in geographical size, but has very few people—1.4 persons per square mile. Eleven additional counties had an unemployment rate below 4.0 percent.

It is an unfortunate tradition that two Labor Market Areas (LMAs) consistently have unemployment rates that are substantially above the other areas' rates. July was not an exception. The five northern counties grouped as the Panhandle LMA had an unemployment rate of 8.7 percent, up from the 7.6 percent rate recorded for June. The Idaho-Lewis LMA in North Central Idaho had a rate of 8.8 percent with 747 unemployed persons. The Idaho-Lewis LMA rate also was up from July when the rate was 7.4 percent. The depressed condition of the state's forest products and mining industries is the reason these areas consistently have high unemployment rates.

The Magic Valley LMA in South Central Idaho and the Bonneville LMA in Northeastern Idaho shared the position of lowest unemployment rates among the areas. Both LMAs recorded a 3.7 unemployment rate in July. This compares to Bonneville's 3.5 percent rate in June and Magic Valley's 3.7 percent rate. Both of these areas have an agriculture base, regional retail and service centers, and a growing population. The Boise City MSA's 5.4 percent unemployment rate in July was below the statewide rate, but both the month-over-month and year-over-year figures show a decline in the number of persons employed.

## NONFARM PAYROLL JOBS

The total number of *Nonfarm Payroll Jobs* in July 2003 was estimated to be 573,000. This number represents a drop of 3,500 jobs from the previous month. A drop in the number of jobs from June to July is not usual. The last time this occurred was in 1993. The net loss of 3,500 jobs was due to fewer jobs in the government components of this employment series.

The *Goods-Producing Industries* added 1,200 jobs from the previous month for a 1.2 percent increase. Although most of the *Service-Providing Industries* added jobs from June to July, the increases were not enough to offset the losses in the *Government* sub-sectors, and the *Services-Providing Industries* lost a net 4,700 jobs. Another contributing factor to the overall monthly job loss was the lack of substantial job additions by those industries that employ the most people, i.e., *Retail Trade, Food Manufacturing, and Educational & Health Services*. Even though these industries added jobs, the percentage gains were very low.

*Construction* has been one of the bright spots during Idaho's economic downturn. Jobs have been consistently added and the type of construction has been diversified. Summer usually sees increased *Construction* activity as it is the height of highway/bridge building and repair. The industry added 900 jobs from June to July 2003 for 40,400 total jobs. Monthly *Construction* job estimates have topped the 40,000

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mark before; the last time was August 2002 when the job count was 40,164. The record for *Construction* employment in Idaho was set in August 2001 at 42,040 jobs.

There were no monthly job losses in Idaho's *Logging* and *Wood Product Manufacturing* industries, but there were no job gains, either. The summer months are the peak times for these forest products industries. Industry employment changes have long been due to logging allotments/conditions, and lumber supply and demand conditions. International factors, such as economic conditions and exchange rates, are strong determinants of local industry employment. So far this year, the monthly number of jobs in these industries has not changed too much (except for spring break-up or thaw that curtails logging) with *Logging* hovering around 1,800 jobs and *Wood Products Manufacturing* around 7,400 jobs. It is a different story, however, when the year-over-year comparisons are considered. Both industries continue to lose jobs as more mills have closed or production has been reduced, and this has been the case for several years. As recently as July 2000, *Logging* had 2,660 jobs and *Wood Products Manufacturing* had 9,506 jobs.

The one Idaho industry that was most visibly affected by the national recession and the run-up to it is *Computer & Electronic Product Manufacturing*. Looking at the monthly job numbers, one can say this industry's abrupt slowdown began in September to October 2001 when about 600 jobs were lost in one month. The industry started 2001 with about 20,800 jobs in Idaho and ended with 18,200. The job count first fell below 18,000 in April 2002 when it hit 17,700 jobs. At the beginning of 2003, the job level was at 17,000. In March 2003, after some additional layoffs, the industry hit its current bottom of 16,000 jobs where it has remained through July. Industry spokespersons are generally optimistic that this industry will recover, but this has yet to be reflected in any significant increases in employment. (It is also thought some of the monthly increase in *Administrative & Support Services* are temporary employees working at the computer and electronics firms, giving rise to the optimism.) Full recovery is dependent upon the nation's business investments returning to a strong pace and the domestic industry's ability to withstand competition from international sources.

*Food Manufacturing*, via its subsector *Fruit & Vegetable Preserving & Specialty Food Manufacturing*, added 200 jobs in July, yet the total number of *Food Manufacturing* jobs—15,800—is 500 less than the total one year ago. A year-over-year drop in this important industry's job count is becoming a familiar story. In July 1993, there were 17,592 jobs in *Food Manufacturing*; 11,739 of these were in the *Fruit & Vegetable Preserving* subsector. Five

State Table 1: July 2003 Labor Force (preliminary)

| Seasonally Adjusted        | Labor Force    | Unemp.        | % Unemp.   | Total Emp.     |
|----------------------------|----------------|---------------|------------|----------------|
| <b>Seaport LMA</b>         | 36,595         | 1,760         | 4.8        | 34,835         |
| Nez Perce County           | 24,237         | 978           | 4.0        | 23,259         |
| Asotin County, WA          | 12,358         | 783           | 6.3        | 11,576         |
| <b>Boise City MSA</b>      | 243,364        | 13,037        | 5.4        | 230,327        |
| Ada County                 | 174,996        | 8,552         | 4.9        | 166,444        |
| Canyon County              | 68,368         | 4,486         | 6.6        | 63,882         |
| <b>Pocatello City MSA*</b> | 39,971         | 2,057         | 5.1        | 37,914         |
| <b>Bonneville LMA</b>      | 81,790         | 3,016         | 3.7        | 78,774         |
| Bingham County             | 22,419         | 943           | 4.2        | 21,476         |
| Bonneville County          | 47,507         | 1,610         | 3.4        | 45,897         |
| Butte County               | 1,565          | 76            | 4.9        | 1,489          |
| Jefferson County           | 10,299         | 386           | 3.7        | 9,913          |
| <b>Cassia-Minidoka LMA</b> | 19,975         | 1,345         | 6.7        | 18,630         |
| Cassia County              | 10,023         | 600           | 6.0        | 9,423          |
| Minidoka County            | 9,952          | 746           | 7.5        | 9,207          |
| <b>Idaho-Lewis LMA</b>     | 8,539          | 747           | 8.8        | 7,792          |
| Idaho County               | 7,028          | 691           | 9.8        | 6,337          |
| Lewis County               | 1,511          | 56            | 3.7        | 1,455          |
| <b>Panhandle LMA</b>       | 94,489         | 8,256         | 8.7        | 86,233         |
| Benewah County             | 4,442          | 543           | 12.2       | 3,899          |
| Bonner County              | 18,153         | 1,534         | 8.5        | 16,619         |
| Boundary County            | 4,629          | 528           | 11.4       | 4,100          |
| Kootenai County            | 60,587         | 4,762         | 7.9        | 55,825         |
| Shoshone County            | 6,677          | 888           | 13.3       | 5,789          |
| <b>Magic Valley LMA</b>    | 55,002         | 2,059         | 3.7        | 52,942         |
| Gooding County             | 7,757          | 310           | 4.0        | 7,447          |
| Jerome County              | 10,195         | 358           | 3.5        | 9,836          |
| Twin Falls County          | 37,050         | 1,391         | 3.8        | 35,659         |
| Adams County               | 1,918          | 337           | 17.6       | 1,581          |
| Bear Lake County           | 2,941          | 124           | 4.2        | 2,817          |
| Blaine County              | 12,478         | 568           | 4.6        | 11,909         |
| Boise County               | 2,568          | 196           | 7.6        | 2,372          |
| Camas County               | 424            | 25            | 6.0        | 399            |
| Caribou County             | 3,109          | 220           | 7.1        | 2,889          |
| Clark County               | 507            | 21            | 4.2        | 485            |
| Clearwater County          | 3,845          | 414           | 10.8       | 3,432          |
| Custer County              | 2,246          | 137           | 6.1        | 2,109          |
| Elmore County              | 9,804          | 685           | 7.0        | 9,119          |
| Franklin County            | 5,304          | 168           | 3.2        | 5,136          |
| Fremont County             | 4,912          | 288           | 5.9        | 4,624          |
| Gem County                 | 6,138          | 479           | 7.8        | 5,659          |
| Latah County               | 16,721         | 615           | 3.7        | 16,106         |
| Lemhi County               | 3,756          | 222           | 5.9        | 3,533          |
| Lincoln County             | 2,115          | 102           | 4.8        | 2,013          |
| Madison County             | 11,818         | 194           | 1.6        | 11,623         |
| Oneida County              | 1,692          | 57            | 3.4        | 1,635          |
| Owyhee County              | 4,115          | 88            | 2.1        | 4,027          |
| Payette County             | 9,659          | 984           | 10.2       | 8,675          |
| Power County               | 3,045          | 235           | 7.7        | 2,810          |
| Teton County               | 3,712          | 132           | 3.6        | 3,580          |
| Valley County              | 4,542          | 386           | 8.5        | 4,156          |
| Washington County          | 4,330          | 562           | 13.0       | 3,768          |
| <b>State of Idaho</b>      | <b>688,884</b> | <b>38,737</b> | <b>5.6</b> | <b>650,147</b> |
| <b>Idaho Cities</b>        |                |               |            |                |
| Boise                      | 113,432        | 5,420         | 4.8        | 108,012        |
| Coeur d'Alene              | 21,321         | 1,283         | 6.0        | 20,038         |
| Idaho Falls                | 30,052         | 1,035         | 3.4        | 29,016         |
| Lewiston                   | 20,482         | 730           | 3.6        | 19,752         |
| Nampa                      | 20,884         | 1,459         | 7.0        | 19,425         |
| Pocatello                  | 28,679         | 1,455         | 5.1        | 27,224         |
| Twin Falls                 | 19,128         | 752           | 3.9        | 18,376         |

\* Pocatello MSA includes all of Bannock County.

years later, the number of jobs had declined to 16,810 and 9,191, respectively. Since 1998 *Food Manufacturing* has lost 1,010 jobs and *Fruits & Vegetable Preserving* has lost 891 jobs. In percentage terms, *Food Manufacturing* employment declined 10.2 percent between July 1993 and July 2003. The decline in *Fruit & Vegetable Preserving* is much more severe at an employment loss of 29.3 percent. In 1993 *Fruit & Vegetable Preserving* accounted for 66.7 percent of the total *Food Manufacturing* jobs. By July 2003, that share had dropped to 52.5 percent. So not only has the total food processing employment declined over the last ten years, its component industrial structure also has changed.

The most important *Food Manufacturing* components in Idaho, besides *Fruit & Vegetable Preserving*, are dairying and cheese manufacturing, sugar beet refining into sugar products, meat processing, and malting. (Other important Idaho agriculture products such as wheat, dry beans and peas, fresh pack potatoes and onions, and alfalfa hay are generally not manufactured into other products and are not included in *Food Manufacturing*.) The *Fruit & Vegetable Preserving* industry perhaps is best known for frozen French fries and other frozen potato products, although corn, beans, onions, and grapes for wine are examples of other crops that are frozen, canned, dehydrated, or otherwise processed.

Recent years have seen the rise of concentrated dairy operations that produce milk for Idaho's cheese manufacturing industry. These are not labor-intensive industries, but their growth has contributed significantly

to the *Food Manufacturing* employment base. Almost concurrently, the sugar manufacturing industry has seen the closure of several sugar plants, thereby reducing the industry's contribution to the *Food Manufacturing* base. Within the *Fruit and Vegetable Processing* industry, steady productivity gains and improved methods of storing crops prior to processing have reduced the demand for labor. The consumer demand for frozen French fries has slackened recently, and the transportation costs from Idaho to distant distribution centers has increased substantially. These factors have led to the closure of one potato processing plant and reduced staffing at others, hence the decline in employment.

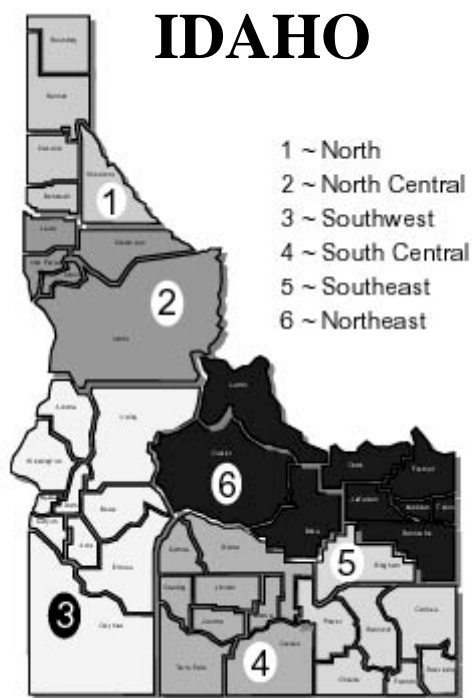
The other *Goods-Producing Industries* either had slight or no changes in employment from June to July. However, almost all of the industries have an employment level that is below last year's. The economic slowdown still persists even though these industries have had fairly stable employment levels during the last three to four months.

Highlights in the *Service-Providing Industries* primarily occurred in the year-over-year changes. *Professional & Business Services* showed a year-over-year increase of 1,900 jobs, mostly in the *Administrative & Support Services* subsector. This industry includes temporary help agencies and call centers. The call center industry, especially the out-bound calling business, is facing a new challenge from the no-call lists initiatives. Although most of Idaho's call centers are in-bound, some are dependent upon contracts with multiple businesses. Due to a lack of this kind of business, some of these centers have reduced staffing in the last few months. Other call centers have added jobs and the overall jobs level has been generally stable. Therefore, most of the new *Administrative & Support Services* jobs fall into the temporary help category. The increase indicates Idaho businesses are adding jobs, but not permanent employees.

*Health Care & Social Assistance* employment grew by 1,500 jobs year-over-year. Most of these new jobs are not in hospitals but in clinics, nursing homes, and home health services.

The *Leisure & Hospitality* industries had 58,000 jobs in July 2003. This is a welcome year-over-year gain of 800 jobs. More importantly, the current employment levels are evidence that this industry group has a greater number of jobs than at the July 2001 level, and most of the subsector industries have mostly recovered from the September 11 tragedy of that year. For example, *Food Services & Drinking Places* had 39,225 jobs in July 2001. That number fell to 37,464 jobs in December

FYI Figure 1: Idaho Regions



Continued on page 22

State Table 2: Nonfarm Payroll Jobs

% Change From

| BY PLACE OF WORK                              | July 2003* | June 2003 | July 2002 | Last Month | Last Year |
|---|------------|-----------|-----------|------------|-----------|
| <b>Nonfarm Payroll Jobs**</b>                 | 573,000    | 576,500   | 574,100   | -0.6       | -0.2      |
| <b>GOODS-PRODUCING INDUSTRIES</b>             | 105,500    | 104,300   | 109,800   | 1.2        | -3.9      |
| <b>Natural Resources &amp; Mining</b>         | 3,600      | 3,600     | 4,300     | 0.0        | -16.3     |
| Logging                                       | 1,800      | 1,800     | 2,400     | 0.0        | -25.0     |
| Mining  | 1,800      | 1,800     | 1,900     | 0.0        | -5.3      |
| Metal Ore Mining                              | 500        | 500       | 500       | 0.0        | 0.0       |
| <b>Construction</b>                           | 40,400     | 39,500    | 39,900    | 2.3        | 1.3       |
| <b>Manufacturing</b>                          | 61,500     | 61,200    | 65,600    | 0.5        | -6.3      |
| Durable Goods                                 | 37,600     | 37,400    | 41,000    | 0.5        | -8.3      |
| Wood Product Manufacturing                    | 7,400      | 7,400     | 7,800     | 0.0        | -5.1      |
| Sawmills & Wood Preservation                  | 2,900      | 2,900     | 3,200     | 0.0        | -9.4      |
| Veneer & Engineered Products                  | 1,400      | 1,400     | 1,300     | 0.0        | 7.7       |
| Other Wood Product Manufacturing              | 3,100      | 3,100     | 3,300     | 0.0        | -6.1      |
| Fabricated Metal Product Manufacturing        | 3,700      | 3,700     | 3,700     | 0.0        | 0.0       |
| Machinery Manufacturing                       | 2,800      | 2,800     | 2,900     | 0.0        | -3.4      |
| Computer & Electronic Product Manufacturing   | 16,000     | 16,000    | 18,000    | 0.0        | -11.1     |
| Transportation Equipment Manufacturing        | 2,200      | 2,200     | 2,200     | 0.0        | 0.0       |
| Other Durable Goods                           | 5,500      | 5,300     | 6,400     | 3.8        | -14.1     |
| Nondurable Goods                              | 23,900     | 23,800    | 24,600    | 0.4        | -2.8      |
| Food Manufacturing                            | 15,800     | 15,600    | 16,300    | 1.3        | -3.1      |
| Fruits & Vegetable Preserving & Specialty     | 8,300      | 8,100     | 8,500     | 2.5        | -2.4      |
| Paper Manufacturing                           | 1,600      | 1,600     | 1,700     | 0.0        | -5.9      |
| Printing & Related Support Activities         | 1,900      | 2,000     | 2,000     | -5.0       | -5.0      |
| Chemical Manufacturing                        | 1,900      | 1,900     | 1,900     | 0.0        | 0.0       |
| Other Nondurable Goods                        | 2,700      | 2,700     | 2,700     | 0.0        | 0.0       |
| <b>SERVICE-PROVIDING INDUSTRIES</b>           | 467,500    | 472,200   | 464,300   | -1.0       | 0.7       |
| <b>Trade, Transportation, &amp; Utilities</b> | 116,500    | 116,200   | 116,600   | 0.3        | -0.1      |
| Trade   | 97,900     | 97,600    | 98,100    | 0.3        | -0.2      |
| Wholesale Trade                               | 24,900     | 24,900    | 25,100    | 0.0        | -0.8      |
| Wholesalers, Durable Goods                    | 11,500     | 11,700    | 11,800    | -1.7       | -2.5      |
| Wholesalers, Nondurable Goods                 | 11,300     | 11,300    | 11,400    | 0.0        | -0.9      |
| Retail Trade                                  | 73,000     | 72,700    | 73,000    | 0.4        | 0.0       |
| Motor Vehicle and Parts Dealers               | 10,600     | 10,500    | 10,900    | 1.0        | -2.8      |
| Building Material and Garden Equipment        | 8,400      | 8,400     | 8,100     | 0.0        | 3.7       |
| Food & Beverage Stores                        | 12,500     | 12,500    | 12,600    | 0.0        | -0.8      |
| General Merchandise Stores                    | 15,100     | 14,900    | 14,600    | 1.3        | 3.4       |
| Transportation, Warehousing, & Utilities      | 18,600     | 18,600    | 18,500    | 0.0        | 0.5       |
| Utilities                                     | 1,900      | 2,000     | 2,000     | -5.0       | -5.0      |
| Transportation & Warehousing                  | 16,700     | 16,600    | 16,500    | 0.6        | 1.2       |
| Rail Transportation                           | 1,300      | 1,300     | 1,300     | 0.0        | 0.0       |
| Truck Transportation                          | 8,500      | 8,400     | 8,200     | 1.2        | 3.7       |
| <b>Information</b>                            | 9,300      | 9,300     | 9,100     | 0.0        | 2.2       |
| Telecommunications                            | 3,100      | 3,100     | 3,200     | 0.0        | -3.1      |
| <b>Financial Activities</b>                   | 27,200     | 26,900    | 26,200    | 1.1        | 3.8       |
| Finance & Insurance                           | 20,100     | 19,900    | 19,300    | 1.0        | 4.1       |
| Real Estate & Rental & Leasing                | 7,100      | 7,000     | 6,900     | 1.4        | 2.9       |
| <b>Professional &amp; Business Services</b>   | 72,800     | 72,100    | 70,900    | 1.0        | 2.7       |
| Professional, Scientific, & Technical         | 29,200     | 29,200    | 28,800    | 0.0        | 1.4       |
| Scientific Research & Development             | 7,400      | 7,300     | 7,400     | 1.4        | 0.0       |
| Management of Companies & Enterprises         | 8,700      | 8,600     | 8,600     | 1.2        | 1.2       |
| Administrative & Support & Waste Management   | 34,900     | 34,300    | 33,500    | 1.7        | 4.2       |
| Administrative & Support Services             | 33,800     | 33,300    | 32,500    | 1.5        | 4.0       |
| Educational & Health Services                 | 60,600     | 60,500    | 58,900    | 0.2        | 2.9       |
| Educational Services                          | 5,200      | 5,200     | 5,000     | 0.0        | 4.0       |
| Health Care & Social Assistance               | 55,400     | 55,300    | 53,900    | 0.2        | 2.8       |
| Hospitals                                     | 13,400     | 13,300    | 13,400    | 0.8        | 0.0       |
| Leisure & Hospitality                         | 58,000     | 56,700    | 57,200    | 2.3        | 1.4       |
| Arts, Entertainment, & Recreation             | 9,400      | 9,200     | 8,900     | 2.2        | 5.6       |
| Accommodation & Food Services                 | 48,600     | 47,500    | 48,300    | 2.3        | 0.6       |
| Accommodation                                 | 8,700      | 8,000     | 8,700     | 8.8        | 0.0       |
| Food Services & Drinking Places               | 39,900     | 39,500    | 39,600    | 1.0        | 0.8       |
| Other Services                                | 17,900     | 17,700    | 18,400    | 1.1        | -2.7      |
| <b>Total Government</b>                       | 105,200    | 112,800   | 107,000   | -6.7       | -1.7      |
| Federal Government                            | 14,500     | 14,000    | 15,400    | 3.6        | -5.8      |
| State & Local Government                      | 90,700     | 98,800    | 91,600    | -8.2       | -1.0      |
| State Government                              | 26,300     | 27,000    | 26,900    | -2.6       | -2.2      |
| State Government Education                    | 11,000     | 11,900    | 11,200    | -7.6       | -1.8      |
| State Government Administration               | 15,300     | 15,100    | 15,700    | 1.3        | -2.5      |
| Local Government                              | 64,400     | 71,800    | 64,700    | -10.3      | -0.5      |
| Local Government Education                    | 31,100     | 37,400    | 30,800    | -16.8      | 1.0       |
| Local Government Administration               | 30,400     | 31,600    | 31,200    | -3.8       | -2.6      |
| Local Government Tribes                       | 2,900      | 2,800     | 2,700     | 3.6        | 7.4       |

\*Preliminary Estimate

\*\* Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

## State Table 3: Economic Indicators

|  | July 2003     | June 2003     | July 2002     | % Change From |           |
|--|---------------|---------------|---------------|---------------|-----------|
|  |               |               |               | Last Month    | Last Year |
| IDAHO LABOR FORCE <sup>(1)</sup>                           |               |               |               |               |           |
| <b>Seasonally Adjusted</b>                                 |               |               |               |               |           |
| Civilian Labor Force                                       | 688,900       | 690,100       | 685,100       | -0.2          | 0.6       |
| Unemployment   | 38,700        | 35,700        | 39,700        | 8.4           | -2.5      |
| Percent of Labor Force Unemployed                          | 5.6           | 5.2           | 5.8           |               |           |
| Total Employment   | 650,200       | 654,400       | 645,400       | -0.6          | 0.7       |
| <b>Unadjusted</b>  |               |               |               |               |           |
| Civilian Labor Force                                       | 700,400       | 701,000       | 696,800       | -0.1          | 0.5       |
| Unemployment   | 34,900        | 32,400        | 35,800        | 7.7           | -2.5      |
| Percent of Labor Force Unemployed                          | 5.0           | 4.6           | 5.1           |               |           |
| Total Employment   | 665,500       | 668,600       | 661,000       | -0.5          | 0.7       |
| U. S. UNEMPLOYMENT RATE <sup>(2)</sup>                     | 6.2           | 6.4           | 5.8           |               |           |
| U.S. CONSUMER PRICE INDEX <sup>(2)</sup>                   |               |               |               |               |           |
| Urban Wage Earners & Clerical Workers (CPI-W)              | 179.6         | 179.6         | 176.1         | 0.0           | 2.0       |
| All Urban Consumer (CPI-U)                                 | 183.9         | 183.7         | 180.1         | 0.1           | 2.1       |
| AGRICULTURE  |               |               |               |               |           |
| Agriculture Employment                                     | 46,540        | 43,600        | 42,930        | 6.7           | 8.4       |
| Operators  | 9,010         | 9,010         | 9,010         | 0.0           | 0.0       |
| Unpaid Family  | 360           | 360           | 690           | 0.0           | -47.8     |
| Hired Workers  | 37,170        | 34,230        | 33,230        | 8.6           | 11.9      |
| UNEMPLOYMENT INSURANCE                                     |               |               |               |               |           |
| <b>Claims Activities</b>                                   |               |               |               |               |           |
| Initial Claims <sup>(3)</sup>                              | 10,692        | 9,832         | 12,056        | 8.7           | -11.3     |
| Weeks Claimed <sup>(4)</sup>                               | 78,289        | 93,249        | 93,363        | -16.0         | -16.1     |
| <b>Benefit Payment Activities<sup>(5)</sup></b>            |               |               |               |               |           |
| Weeks Compensated  | 77,162        | 67,413        | 77,599        | 14.5          | -0.6      |
| Total Benefit \$ Paid                                      | \$16,895,210  | \$14,765,834  | \$16,746,098  | 14.4          | 0.9       |
| Average Weekly Benefit Amount                              | \$218.96      | \$219.04      | \$215.80      | 0.0           | 1.5       |
| Covered Employers  | 41,164        | 41,117        | 40,097        | 0.1           | 2.7       |
| Total Benefit \$ Paid During Last 12 Months <sup>(4)</sup> | \$215,477,279 | \$215,328,167 | \$203,232,909 | 0.1           | 6.0       |

(1) Preliminary Estimate

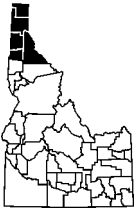
(2) Source: U.S. Bureau of Labor Statistics

(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims

(4) Includes all entitlements/programs, Intrastate and Interstate Agent

(5) Includes all entitlements/programs, Total Liable Activities





# PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

## EMPLOYMENT TRENDS

The Panhandle's seasonally adjusted unemployment rate increased from 7.6 percent in June to 8.7 percent in July. Fortunately, much of the unemployment rate increase was caused by temporary factors, including the temporary shutdown of the Galena Mine in the Silver Valley because of a mechanical problem with its hoist, Hoot Owl restrictions on logging and activities that might cause forest fires, and some short-term job losses in the lumber industry. Since lumber prices fell sharply last fall, many mills in the Panhandle have intermittently shut down for short periods of time or otherwise cut employment. About 200 of the 240 jobs lost in *Wood Products Manufacturing* between July 2002 and July 2003 are permanently lost. The other 40 job losses were temporary, resulting from one of the short shutdowns that have been common in recent months.

Three of the Panhandle's five counties are experiencing double-digit unemployment. Benewah and Shoshone Counties have long endured economic stagnation and double-digit unemployment rates, but Boundary County has experienced the pain of double-digit unemployment rates only since the Louisiana-Pacific Mill in Bonners Ferry closed in April. Its July 2003 unemployment rate of 11.4 percent was far higher than its July 2002 rate of 6.8 percent. Benewah County's unemployment rate was 12.2 percent in July 2003, while Shoshone County's unemployment rate was 13.3 percent. Shoshone County's rate may rise higher in August because 80 jobs were lost when the Tele-Servicing Innovation (TSI) call center in Smelterville permanently closed at the end of July.

The Panhandle's two largest counties manage to keep adding jobs. Growth in *Manufacturing*, *Construction*, and *Retail* sectors allowed Bonner County's unemployment rate to edge down from 8.7 percent in July 2002 to 8.5 percent a year later. In Kootenai County, booming residential construction, a strong real estate market, an ever-expanding medical sector, and a strong tourism sector have offset job losses in *Manufacturing*, bringing the unemployment rate from 8.8 percent a year ago to 7.9 percent this July.

Panhandle Table 1: Labor Force & Employment

|  | July<br>2003* | June<br>2003 | July<br>2002 | % Change From |              |
|--|---------------|--------------|--------------|---------------|--------------|
|  |               |              |              | Last<br>Month | Last<br>Year |
| <b>INDIVIDUALS BY PLACE OF RESIDENCE</b> |               |              |              |               |              |
| <b>Seasonally Adjusted</b>               |               |              |              |               |              |
| Civilian Labor Force                     | 94,490        | 93,320       | 93,310       | 1.3           | 1.3          |
| Unemployed                               | 8,260         | 7,090        | 8,510        | 16.5          | -2.9         |
| % of Labor Force Unemployed              | 8.7           | 7.6          | 9.1          |               |              |
| Total Employment                         | 86,230        | 86,230       | 84,800       | 0.0           | 1.7          |
| <b>Unadjusted</b>                        |               |              |              |               |              |
| Civilian Labor Force                     | 95,980        | 94,440       | 94,720       | 1.6           | 1.3          |
| Unemployed                               | 6,400         | 5,780        | 6,730        | 10.7          | -4.9         |
| % of Labor Force Unemployed              | 6.7           | 6.1          | 7.1          |               |              |
| Total Employment                         | 89,580        | 88,660       | 87,990       | 1.0           | 1.8          |
| <b>JOB BY PLACE OF WORK</b>              |               |              |              |               |              |
| <b>Nonfarm Payroll Jobs** - NAICS</b>    | 72,760        | 72,080       | 70,970       | 0.9           | 2.5          |
| <b>Goods-Producing Industries</b>        | 13,670        | 13,180       | 13,730       | 3.7           | -0.4         |
| Natural Resources & Mining               | 1,600         | 1,480        | 1,670        | 8.1           | -4.2         |
| Construction                             | 5,290         | 4,980        | 5,070        | 6.2           | 4.3          |
| Manufacturing                            | 6,780         | 6,720        | 6,990        | 0.9           | -3.0         |
| Wood Product Manufacturing               | 2,680         | 2,600        | 2,920        | 3.1           | -8.2         |
| Other Manufacturing                      | 4,100         | 4,120        | 4,070        | -0.5          | 0.7          |
| <b>Service-Providing Industries</b>      | 59,090        | 58,900       | 57,240       | 0.3           | 3.2          |
| Trade, Transportation, & Utilities       | 13,410        | 13,150       | 13,410       | 2.0           | 0.0          |
| Wholesale Trade                          | 1,410         | 1,390        | 1,400        | 1.4           | 0.7          |
| Retail Trade                             | 10,300        | 10,120       | 10,360       | 1.8           | -0.6         |
| Utilities                                | 390           | 390          | 380          | 0.0           | 2.6          |
| Transportation & Warehousing             | 1,310         | 1,250        | 1,270        | 4.8           | 3.1          |
| Information                              | 1,200         | 1,210        | 1,250        | -0.8          | -4.0         |
| Financial Activities                     | 3,020         | 3,010        | 2,860        | 0.3           | 5.6          |
| Professional & Business Services         | 7,280         | 7,220        | 7,120        | 0.8           | 2.2          |
| Educational & Health Services            | 7,120         | 7,060        | 6,730        | 0.8           | 5.8          |
| Leisure & Hospitality                    | 10,230        | 9,720        | 9,650        | 5.2           | 6.0          |
| Other Services                           | 2,620         | 2,460        | 2,390        | 6.5           | 9.6          |
| Government Education                     | 4,180         | 5,100        | 3,890        | -18.0         | 7.5          |
| Government Administration                | 8,880         | 8,820        | 8,800        | 0.7           | 0.9          |
| Government Tribes                        | 1,150         | 1,150        | 1,140        | 0.0           | 0.9          |

\* Preliminary estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

## AREA DEVELOPMENTS

### Benewah County

- The St. Joe Riverfront Bed & Breakfast—a four-bedroom, year-round lodging establishment—opened in a new building on Shepherds Road in July.

### Bonner County

- The Bonner County Economic Development Corporation continues to recruit businesses to Bonner County. In July, Freeze Manufacturing began moving its commercial division from the Spokane Industrial Park to Priest River. Freeze custom-manufactures wooden and upholstered furniture for homes and offices. Initially the Priest River shop, located near the Aerocet plant, will employ five people to make furniture for offices.
- Sandpoint recently welcomed several new businesses including Lakeview Funeral, offering funeral services in an old church at Olive and Superior;

Sandpoint White Cross Pharmacy at Pioneer Square on Highway 2; Full Spectrum Tours, offering kayak tours and kayak equipment for sale and rent at 321 North Second Avenue; an Evergreen Realty office at Schweitzer Mountain Resort; Big Jack Sports Shop, selling an extensive array of fishing gear and soon to be offering hunting supplies at 1223 Michigan Street; Eagle Eye Inspections, a home inspection company; The Eclectic Cuisine Kitchen, a restaurant specializing in Greek and Pacific Northwest cuisine, and a related catering business, A Taste of Idaho Catering, at 116 North Second Avenue.

- Among the town of Kootenai's newest businesses is Admit One Fabric Outlet, offering a large selection of fabrics and craft items.

### **Boundary County**

- Zydecco, okra, and cayenne became staples in Bonners Ferry after the June opening of The Cajun Kitchen Buffet, headed by Chef Bobby LeBuhn. The new restaurant is located in a log cabin-style building that was formerly home to Peaceful Gardens. Over the next few months, a house next to the restaurant will be transformed into the Cajun Caymart, a store that will feature new and used items and consignments.
- A new shop in Bonners Ferry, Spud Press, sells a wide variety of paper and card stock for printing and scrapbooking. It also features a copier and a digital printer. It creates business cards, flyers, wedding invitations, signs, letterheads, graduation announcements, menus, and custom envelopes. Located at 6858 South Main, the 870-square-foot shop also publishes the weekly *Bonners Ferry Brief*, which contains many jokes, a community calendar, news items, and advertisements. Owner Marcia Morman also owns the original Spud Press in Sandpoint.

### **Kootenai County**

- Rathdrum recently welcomed The LogCabin Bakery, specializing in European baked goods, in the Stein's IGA Center at 6594 North Highway 41; One-Eyed Jack's Steak House, a restaurant at 15512 Highway 41 North; and the Rathdrum Clinic, offering the services of family practitioner Dr. Michael Whiting and massage therapist Sue Whiting, at 14775 Kimo Court.
- Coeur d'Alene's newest businesses include Coeur d'Alene Spine & Brain PLLC, a neurosurgical practice at 700 Ironwood Drive; an Elmer's Restaurant in the former Village Inn building at 300 West Neider Avenue; Preferred Technologies, a supplier of tools, cable, and equipment to telephone and cable TV companies that recently moved from Oregon and now is located at 701 North 4<sup>th</sup> Street; coiNuts, which buys and sells coins, bullion, and jewelry made of precious metals at 296 West Sunset Avenue; Ristorante Marguerite, a restaurant specializing in Cajun and Italian cuisine at 206 North Fourth Street; and Zizzlyzaza Bead & Embellishment Emporium, which sells beads of all kinds at 613 West Appleway.

- Hayden recently welcomed these new businesses: Hancock Fabrics at 301 West Prairie Avenue; Old Glory Flag & Pole, selling flagpoles and American, state, military, and other flags, as well as windsocks, scarves, pennants, and shirts with flags on them at 7721 North Government Way; Mountain View Cycling & Fitness, which sells, repairs, and maintains bicycles at 9521 Government Way; and Fairway Grocery & Gas, a 2,400-square-foot convenience store at the corner of Kathleen and Ramsey. Hayden Lake welcomed Coeur d'Alene Cart Service, which sells, rents, and services golf carts at 105 West Miles Avenue.
- Post Falls is home to these new businesses: Re/Max Results, a real estate office at 1710 East Seltice; Jump Start Java, a drive-through coffee stand offering delivery at Cedar Street and Seltice Way; and a Wendy's Old-Fashioned Hamburgers restaurant at 3939 East Central Avenue.

### **Shoshone County**

- In mid-August, the Galena Mine near Silverton recalled workers from a month-long shutdown caused by failure of its hoist. At that time, the Galena notified 26 miners that they would not be returning to work. The resulting cost-cutting will help the mine's owner, Coeur d'Alene Mines Corp., to realize its plans to renew exploration and development efforts, which low silver prices forced it to discontinue two years ago. Over the next three years, Coeur d'Alene Mines plans to spend \$14 million on exploration and development at the Galena. Following the August layoff, the mine employs slightly fewer than 200 workers. It remains the larger of the two major mines still operating in the Silver Valley.
- Ted and Kristi Beamis, owners of the Sinclair station and the Conoco Super Stop in Wallace, recently purchased the Conoco Super Stop at 119 North Hill Street in Kellogg, the Cameron Conoco at 3 East Cameron Avenue in Kellogg, the Conoco Super Stop at 509 North Division Street in Pinehurst, and the Gondolier, a convenience store selling Chevron gasoline at 802 West Cameron Avenue in Kellogg. Two of the stores have been closed for more than two years. The Beamises reopened the Hill Street Super Stop in July, and currently are renovating the Gondolier.
- Home Away from Home, a new daycare, seeks to provide children under its care with what its name indicates. The daycare at 415 Seventh Street in Wallace offers a wide variety of activities for children 18 months and up.

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# SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

## LABOR FORCE & EMPLOYMENT

The Seaport seasonally adjusted unemployment rate increased in July 2003 to 4.8 percent from June's rate of 4.4 percent, as shown in Seaport Table 1. In July 2002 the rate was 5.0 percent. In July 2003 the Seaport's *Nonfarm Payroll Jobs* decreased by 50 jobs because of temporary layoffs in *Education*. These temporary layoffs were expected and followed seasonal trends because of summer vacation. The August and September numbers will show an increase as teachers return to classrooms. On the plus side, two industries, *Food Manufacturing* and *Construction*, created new jobs in July. Employment in *Food Manufacturing* increased for the pea harvest and *Construction* increased because of residential remodels.

## SPECIAL TOPIC:

### Port of Lewiston

Lewiston resident Troy Mitchell gathered 2,550 signatures on petitions calling for the dissolution of the Port of Lewiston, though he said he really doesn't want to get rid of the port, just its property tax subsidy. "The Port has done a fine job most of the time in fulfilling its economic development purpose," Mitchell said during his opening testimony in an almost six-hour hearing in August. The Nez Perce County Commission, charged with deciding whether to put the dissolution issue of the Port of Lewiston on the November ballot, voted 3-0 against putting the question to the voters. Not one person said dissolution was a good idea, not even those who spoke in favor of the petition, said Commissioner J.R. Van Tassel. "I see no issue," he said when all the testimony indicated a desire to keep the port. Some of the public comments both for and against the issue follow.

### Against:

- ✓ The \$450,000 property tax levy for 2004 would cost residents about \$63.00 for every \$100,000 of taxable value.
- ✓ The port was created and people voted for it to acquire low-cost transportation, not to buy land and create competition for businesses already operating here.

Seaport Table 1: Labor Force & Employment

Nez Perce County, Idaho and Asotin County, Washington

|  | July<br>2003* | June<br>2003 | July<br>2002 | % Change From |              |
|--|---------------|--------------|--------------|---------------|--------------|
|  |               |              |              | Last<br>Month | Last<br>Year |
| <b>INDIVIDUALS BY PLACE OF RESIDENCE</b> |               |              |              |               |              |
| <b>Seasonally Adjusted</b>               |               |              |              |               |              |
| Civilian Labor Force                     | 36,600        | 36,290       | 35,370       | 0.9           | 3.5          |
| Unemployment                             | 1,760         | 1,610        | 1,780        | 9.3           | -1.1         |
| % of Labor Force Unemployed              | 4.8           | 4.4          | 5.0          |               |              |
| Total Employment                         | 34,840        | 34,680       | 33,590       | 0.5           | 3.7          |
| <b>Unadjusted</b>                        |               |              |              |               |              |
| Civilian Labor Force                     | 36,510        | 36,290       | 35,240       | 0.6           | 3.6          |
| Unemployment                             | 1,610         | 1,500        | 1,610        | 7.3           | 0.0          |
| % of Labor Force Unemployed              | 4.4           | 4.1          | 4.6          |               |              |
| Total Employment                         | 34,900        | 34,790       | 33,630       | 0.3           | 3.8          |
| <b>JOBS BY PLACE OF WORK</b>             |               |              |              |               |              |
| <b>Nonfarm Payroll Jobs** - NAICS</b>    | 26,590        | 26,640       | 27,590       | -0.2          | -3.6         |
| <b>Goods-Producing Industries</b>        | 4,530         | 4,380        | 4,960        | 3.4           | -8.7         |
| Natural Resources & Mining               | 190           | 190          | 260          | 0.0           | -26.9        |
| Construction                             | 1,030         | 1,000        | 1,220        | 3.0           | -15.6        |
| Manufacturing                            | 3,310         | 3,190        | 3,480        | 3.8           | -4.9         |
| Wood Product Manufacturing               | 550           | 550          | 630          | 0.0           | -12.7        |
| Food Manufacturing                       | 250           | 120          | 240          | 108.3         | 4.2          |
| Paper Manufacturing                      | 1,220         | 1,210        | 1,260        | 0.8           | -3.2         |
| Other Manufacturing                      | 1,290         | 1,310        | 1,350        | -1.5          | -4.4         |
| <b>Service-Providing Industries</b>      | 22,060        | 22,260       | 22,630       | -0.9          | -2.5         |
| Trade, Transportation & Utilities        | 5,560         | 5,550        | 5,470        | 0.2           | 1.6          |
| Wholesale Trade                          | 630           | 620          | 650          | 1.6           | -3.1         |
| Retail Trade                             | 3,620         | 3,620        | 3,540        | 0.0           | 2.3          |
| Utilities                                | 90            | 90           | 90           | 0.0           | 0.0          |
| Transportation & Warehousing             | 1,220         | 1,230        | 1,190        | -0.8          | 2.5          |
| Information                              | 360           | 360          | 370          | 0.0           | -2.7         |
| Financial Activities                     | 1,670         | 1,690        | 1,780        | -1.2          | -6.2         |
| Professional & Business Services         | 1,440         | 1,460        | 1,580        | -1.4          | -8.9         |
| Education & Health Services              | 3,780         | 3,760        | 3,810        | 0.5           | -0.8         |
| Leisure & Hospitality                    | 2,590         | 2,590        | 2,730        | 0.0           | -5.1         |
| Other Services                           | 1,190         | 1,180        | 1,140        | 0.8           | 4.4          |
| Government Education                     | 2,010         | 2,240        | 2,110        | -10.3         | -4.7         |
| Government Administration                | 2,590         | 2,550        | 2,740        | 1.6           | -5.5         |
| Government Tribes                        | 870           | 870          | 900          | 0.0           | -3.3         |

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

### For:

- ✓ The river system is Lewiston's answer to the lack of a freeway.
- ✓ The Port has had three decades of development, including the Business and Technology Park east of Thain Grade where Interventional Pain Consultants Surgical Center is expected to break ground next week and Regence BlueShield is expected to build in the next two years.
- ✓ The Port brought West/Best, now Swift Transportation, to Lewiston when it could have relocated to Sacramento, California. It employs 529 people in Lewiston.

- ✓ The Port developed the Southport area where ATK, formerly Blount, expanded and employs about a third of its 700 workers. The state also built a new juvenile corrections center there that employs 50 people.
- ✓ Sheldon Jackson, a Spokane developer whose company has spent more than \$30 million on the Nez Perce Plaza so far, said the land in the Public Utilities District generated less than \$3,000 in property taxes in 2000. In 2002 that land contributed \$250,000 in property taxes.
- ✓ Several Potlatch Corporation employees, some from management and others from labor organizations, said low-cost water transportation is essential to being part of the global economy, and means jobs and growth for the region. Potlatch pays \$110 million in wages in Nez Perce County, said David Weisel, union official. "We're global and we're competing with everyone under the sun."
- ✓ Fifty-five percent of lentils, dry peas, and chickpeas are exported, and 30 percent of those begin their journey at the Port of Lewiston, said Tim D. McGreevy of Moscow, executive director of the U.S. Dry Pea and Lentil Council. More than \$25 million worth of product will pass through the Port of Lewiston this year.
- ✓ Idaho State Senator Joseph Stegner of Lewiston said Pocatello and Coeur d'Alene are trying to change the state's port statutes so they can have one, too. The reputation of Lewiston's port generates two things, he said: envy and pride.

## **AREA DEVELOPMENTS**

### **Clearwater County**

- The 2003 fire season has been a hot one on both the Clearwater and Nez Perce National Forests. The economic impact of a fire is difficult to judge. On one side there is a loss of tourism as roads close and smoke obscures views. Businesses whose livelihoods are dependent upon the forests are constrained. Restrictions are imposed on such activities as operating chainsaws or other equipment powered by an internal combustion engine, curtailing logging, road building, and other activities. On the plus side, even with the loss of tourists, merchants are able to increase sales to fire fighters who need supplies, and equipment contractors are able to lease equipment to the Forest Service to fight fires.

### **Idaho and Lewis Counties**

- A Kooskia lumber mill, Clearwater Forest Industries, is down to a single shift and one of its owners is blaming reductions in sales from federal forests. In the 1980s, Robert Krogh ran two mills, Clearwater Forest Industries (CFI) in Kooskia and Ida-Pine in Grangeville. Ida-Pine closed in 1994 and the weekly operational hours at CFI in Kooskia have gradually been cut back from 80 to 60 to 50, and about two months ago, to 40 hours, Krogh says. "We're just trying to get by as efficiently as we possibly can. . . . We're in a survival mode. Hopefully when things get better, we'll still be around." Krogh joins a chorus of lumber executives who are worried about timber supply. Bill Mulligan, owner of Three Rivers Timber in Kamiah, has said his operation is challenged because it's difficult to find logs to feed his mill.

Bennett Forest Industries is considering a number of options, including closing its doors in Elk City or moving the operation to Clarkston. All mill officials point to declining harvests in national forests as the reason.

### **Latah County**

- The University Pointe, a retail and professional building on Sixth Street in Moscow, was completed in June, though much of the building's 20,000-square feet of leasable space has remained vacant. Quizno's sandwich shop has been the only tenant. But one owner of the building says the vacancy situation is about to change. A women's fitness center, Curves For Women, moved into a 2,500-square-foot space in August. Taco Del Mar restaurant, occupying 2,000-square feet, will follow. Other tenants who are close to signing leases include Leon's beauty salon, which used to be in the now-closed Moscow Emporium, and Cougar Communications, a cell phone company. Owners say only one space remains available on the first floor. The professional office space that occupies the second floor also is vacant, but negotiations are continuing with a number of prospective tenants. When University Pointe is 75 percent full, the second phase of the project, construction of an identical building, will begin next door.

### **Nez Perce and Asotin (Washington) Counties**

- Teleperformance USA in Lewiston laid off 60 workers in August when the company closed its Lewiston office. The Telemarketing Sales Rule, a federal law passed this year that makes it easier for consumers to block telemarketing calls, was a factor in the decision to close the Lewiston office. Teleperformance USA, a teleservices agency, was founded a decade ago and grew to 30 contact centers with 4,100 workstations in the United States and operations in Canada, Mexico, the Philippines, India, and Argentina. The jobs added diversity to the local economy and will be missed by those looking for a first job or a job that doesn't require physical movement.
- Lewis-Clark State College (LCSC) School of Technology has received a \$28,000 grant to purchase a computer numerical control milling machine. The 3,800-pound machine, which mills metal, displays an image of the cut to be made. It's the latest technology and will give LCSC students an edge with potential employers, say School of Technology officials. The money was provided by the U.S. Department of Agriculture's rural development program, which awards grants to stimulate economic growth and job creation.

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# TREASURE VALLEY

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY, & WASHINGTON COUNTIES

## EMPLOYMENT TRENDS

The Boise City Metropolitan Statistical Area's (MSA) average annual unemployment rate for July 2003 was 5.4 percent, as shown in Treasure Valley Table 1. This was three-tenths of a percentage point above the June 2003 rate of 5.1 percent and two-tenths of a percentage point above the July 2002 rate of 5.2 percent. Month-over-month, the number of employed persons decreased by 1,900, or 0.8 percent, from June 2003, and the number of unemployed individuals increased by 600 individuals, or 4.8 percent. The decreasing number of persons employed and the increasing number of persons unemployed created an overall decrease of 1,300 individuals, or 0.5 percent, in the *Civilian Labor Force*, from June 2003. Year-over-year, the number of employed persons decreased by 7,900, or 3.3 percent, and the number of unemployed individuals decreased by 100 individuals or 0.8 percent, creating a net decrease in the *Civilian Labor Force* of 8,000 individuals from July 2002. The *Civilian Labor Force* figures for July 2003 for all ten counties in Southwest Idaho are shown in Treasure Valley Table 2.

In the Boise City MSA *Nonfarm Payroll Jobs* decreased by 1,400, or 0.6

| Treasure Valley Table 2: July 2003<br>Seasonally Adjusted Labor Force Figures for<br>Southwest Idaho Counties |                            |                           |                            |                    |
|---|----------------------------|---------------------------|----------------------------|--------------------|
|   | Civilian<br>Labor<br>Force | Number<br>Unem-<br>ployed | Percent<br>Unem-<br>ployed | Number<br>Employed |
| Ada   | 174,996                    | 8,552                     | 4.9                        | 166,444            |
| Adams   | 1,918                      | 337                       | 17.6                       | 1,581              |
| Boise   | 2,568                      | 196                       | 7.6                        | 2,372              |
| Canyon  | 68,368                     | 4,486                     | 6.6                        | 63,882             |
| Elmore  | 9,804                      | 685                       | 7.0                        | 9,119              |
| Gem   | 6,138                      | 479                       | 7.8                        | 5,659              |
| Owyhee  | 4,115                      | 88                        | 2.1                        | 4,027              |
| Payette   | 9,659                      | 984                       | 10.2                       | 8,675              |
| Valley  | 4,542                      | 386                       | 8.5                        | 4,156              |
| Washington  | 4,330                      | 562                       | 13.0                       | 3,768              |
| Statewide   | 688,884                    | 38,737                    | 5.6                        | 650,147            |

Treasure Valley Table 1: Boise MSA Labor Force & Employment  
Ada and Canyon Counties

|   | July<br>2003* | June<br>2003 | July<br>2002 | % Change<br>Last<br>Month | % Change<br>Last<br>Year |
|---|---------------|--------------|--------------|---------------------------|--------------------------|
| <b>INDIVIDUALS BY PLACE OF RESIDENCE</b>      |               |              |              |                           |                          |
| <b>Seasonally Adjusted</b>                    |               |              |              |                           |                          |
| Civilian Labor Force                          | 243,300       | 244,600      | 251,300      | -0.5                      | -3.2                     |
| Unemployment                                  | 13,000        | 12,400       | 13,100       | 4.8                       | -0.8                     |
| % of Labor Force Unemployed                   | 5.4           | 5.1          | 5.2          |                           |                          |
| Total Employment                              | 230,300       | 232,200      | 238,200      | -0.8                      | -3.3                     |
| <b>Unadjusted</b>                             |               |              |              |                           |                          |
| Civilian Labor Force                          | 247,300       | 248,000      | 254,800      | -0.3                      | -2.9                     |
| Unemployment                                  | 13,000        | 12,200       | 12,800       | 6.6                       | 1.6                      |
| % of Labor Force Unemployed                   | 5.2           | 4.9          | 5.0          |                           |                          |
| Total Employment                              | 234,300       | 235,800      | 242,000      | -0.6                      | -3.2                     |
| <b>JOBS BY PLACE OF WORK</b>                  |               |              |              |                           |                          |
| <b>Nonfarm Payroll Jobs**</b>                 |               |              |              |                           |                          |
| GOODS-PRODUCING INDUSTRIES                    | 45,900        | 45,800       | 48,400       | 0.2                       | -5.2                     |
| <b>Natural Resources &amp; Construction</b>   |               |              |              |                           |                          |
| <b>Manufacturing</b>                          |               |              |              |                           |                          |
| Durable Goods                                 | 22,900        | 23,000       | 24,900       | -0.4                      | -8.0                     |
| Wood Product Manufacturing                    | 2,000         | 2,000        | 2,000        | 0.0                       | 0.0                      |
| Fabricated Metal Products Mfg.                | 1,400         | 1,500        | 1,500        | -6.7                      | -6.7                     |
| Machinery Manufacturing                       | 1,300         | 1,200        | 1,400        | 8.3                       | -7.1                     |
| Computer & Electronic Manufacturing           | 14,300        | 14,300       | 16,200       | 0.0                       | -11.7                    |
| Transportation Equipment Mfg.                 | 1,600         | 1,600        | 1,700        | 0.0                       | -5.9                     |
| Other Durable Goods                           | 2,300         | 2,400        | 2,100        | -4.2                      | 9.5                      |
| Nondurable Goods                              | 7,100         | 7,100        | 7,000        | 0.0                       | 1.4                      |
| Food Manufacturing                            | 5,200         | 5,300        | 5,200        | -1.9                      | 0.0                      |
| Printing & Related Support Activities         | 700           | 700          | 800          | 0.0                       | -12.5                    |
| Other Nondurable Goods                        | 1,200         | 1,100        | 1,000        | 9.1                       | 20.0                     |
| SERVICE-PROVIDING INDUSTRIES                  | 181,500       | 183,000      | 181,100      | -0.8                      | 0.2                      |
| <b>Trade, Transportation, &amp; Utilities</b> |               |              |              |                           |                          |
| Trade   | 44,700        | 44,700       | 44,700       | 0.0                       | 0.0                      |
| Wholesale Trade                               | 37,800        | 37,800       | 37,900       | 0.0                       | -0.3                     |
| Wholesalers, Durable Goods                    | 10,600        | 10,600       | 10,400       | 0.0                       | 1.9                      |
| Wholesalers, Nondurable Goods                 | 6,600         | 6,600        | 6,500        | 0.0                       | 1.5                      |
| Retail Trade                                  | 2,800         | 2,800        | 3,100        | 0.0                       | -9.7                     |
| Food & Beverage Stores                        | 27,200        | 27,200       | 27,500       | 0.0                       | -1.1                     |
| General Merchandise Stores                    | 4,100         | 4,100        | 4,200        | 0.0                       | -2.4                     |
| All Other Retail Trade                        | 5,800         | 5,700        | 5,900        | 1.8                       | -1.7                     |
| Transportation, Warehousing, & Utilities      | 17,300        | 17,400       | 17,400       | -0.6                      | -0.6                     |
| Utilities                                     | 6,900         | 6,900        | 6,800        | 0.0                       | 1.5                      |
| Transportation & Warehousing                  | 700           | 700          | 700          | 0.0                       | 0.0                      |
| Information                                   | 6,200         | 6,200        | 6,100        | 0.0                       | 1.6                      |
| Telecommunications                            | 3,500         | 3,600        | 3,700        | -2.8                      | -5.4                     |
| Financial Activities                          | 1,400         | 1,400        | 1,300        | 0.0                       | 7.7                      |
| Finance & Insurance                           | 12,200        | 12,200       | 11,900       | 0.0                       | 2.5                      |
| Real Estate & Rental & Leasing                | 9,200         | 9,200        | 8,900        | 0.0                       | 3.4                      |
| Professional & Business Services              | 3,000         | 3,000        | 3,000        | 0.0                       | 0.0                      |
| Professional, Scientific, & Technical         | 32,700        | 32,500       | 31,700       | 0.6                       | 3.2                      |
| Management of Companies & Ent.                | 9,400         | 9,400        | 10,200       | 0.0                       | -7.8                     |
| Administrative & Support & Waste Mgmt.        | 7,000         | 7,000        | 6,900        | 0.0                       | 1.4                      |
| Educational & Health Services                 | 16,300        | 16,100       | 14,600       | 1.2                       | 11.6                     |
| Educational Services                          | 27,800        | 27,600       | 27,100       | 0.7                       | 2.6                      |
| Health Care & Social Assistance               | 2,000         | 1,900        | 2,300        | 5.3                       | -13.0                    |
| Hospitals                                     | 25,800        | 25,700       | 24,800       | 0.4                       | 4.0                      |
| Leisure & Hospitality                         | 9,100         | 9,000        | 9,000        | 1.1                       | 1.1                      |
| Arts, Entertainment, & Recreation             | 19,900        | 20,000       | 20,500       | -0.5                      | -2.9                     |
| Accommodation & Food Services                 | 2,900         | 2,900        | 2,900        | 0.0                       | 0.0                      |
| Accommodation                                 | 17,000        | 17,100       | 17,600       | -0.6                      | -3.4                     |
| Food Services & Drinking Places               | 2,000         | 2,000        | 2,000        | 0.0                       | 0.0                      |
| Other Services                                | 15,000        | 15,100       | 15,600       | -0.7                      | -3.8                     |
| Total Government                              | 6,700         | 6,600        | 6,800        | 1.5                       | -1.5                     |
| Federal Government                            | 34,000        | 35,800       | 34,700       | -5.0                      | -2.0                     |
| State & Local Government                      | 5,600         | 5,600        | 5,500        | 0.0                       | 1.8                      |
| State Government                              | 28,400        | 30,200       | 29,200       | -6.0                      | -2.7                     |
| State Government Education                    | 12,600        | 12,700       | 12,400       | -0.8                      | 1.6                      |
| State Government Administration               | 3,300         | 3,300        | 3,600        | 0.0                       | -8.3                     |
| Local Government                              | 9,300         | 9,400        | 8,800        | -1.1                      | 5.7                      |
| Local Government Education                    | 15,800        | 17,500       | 16,800       | -9.7                      | -6.0                     |
| Local Government Administration               | 8,600         | 10,000       | 9,400        | -14.0                     | -8.5                     |
|   | 7,200         | 7,500        | 7,400        | -4.0                      | -2.7                     |

\* Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

percent, from June to July 2003, while over the year, *Nonfarm Payroll Jobs* lost 2,100 jobs in the Boise City MSA. Month-over-month, *Goods-Producing Industries* gained 100 jobs; these gains were noted in *Natural Resources & Construction* (200 jobs), *Machinery Manufacturing* (100 jobs), and *Other Nondurable Goods Manufacturing* (100 jobs), while job decreases were noted in *Fabricated Metal Products Manufacturing* (-100 jobs), *Other Durable Goods Manufacturing* (-100 jobs), and *Food Manufacturing* (-100 jobs). Year-over-year, *Goods-Producing Industries* lost 2,500 jobs; losses occurred in *Natural Resources, Mining, & Construction* (-600 jobs), *Fabricated Metal Products Manufacturing* (-100 jobs), *Machinery Manufacturing* (-100 jobs), *Computer & Electronic Product Manufacturing* (-1,900 jobs), *Transportation Equipment Manufacturing* (-100 jobs), and *Printing and Related Support Activities* (-100 jobs). *Other Durable Goods Manufacturing* (200 jobs) and *Other Nondurable Goods Manufacturing* (200) were the only industries to experience job gains.

In *Service-Providing Industries*, job losses outweighed job gains with 1,500 jobs lost in the Boise City MSA from June to July 2003. Job losses occurred in *All Other Retail Trade* (-100 jobs), *Information Services* (-100 jobs), *Food Services & Drinking Places* (-100 jobs), *State Government Administration* (-100 jobs), *Local Government Education* (-1,400 jobs), and *Local Government Administration* (-300 jobs). The high number of jobs lost in *Education* is consistent with the end of the traditional school year in most districts. Job gains were experienced in *General Merchandise Stores* (100 jobs), *Administrative & Support & Waste Management Services* (200 jobs), *Educational Services* (100 jobs), *Health Care & Social Assistance Services* (100 jobs), *Hospitals* (100 jobs), and *Other Services* (100 jobs). Year-over-year, *Service-Providing Industries* gained 400 jobs, with job gains in *Durable Goods Wholesale Trade* (100 jobs), *Telecommunications Services* (100 jobs), *Finance & Insurance Services* (300 jobs), *Management of Companies & Enterprises* (100 jobs), *Administrative & Support & Waste Management Services* (1,700 jobs), *Health Care & Social Assistance Services* (1,000 jobs), *Hospitals* (100 jobs), *Federal Government* (100 jobs), and *State Government Administration* (300 jobs). Job losses were noted in *Nondurable Goods Wholesale Trade* (-300 jobs), *Food and Beverage Stores* (-100 jobs), *General Merchandise Stores* (-100 jobs), *All Other Retail Trade* (-100 jobs), *Information Services* (-200 jobs), *Professional, Scientific, & Technical Services* (-800 jobs), *Educational Services* (-300 jobs), *Food Services & Drinking Places* (-600 jobs), *Other Services* (-100 jobs), *State Government Education* (-300 jobs), *Local Government Education* (-800 jobs), and *Local Government Administration* (-200 jobs). The slow growth of jobs over the year is consistent with the downturn and slow recovery that

the national economy has been experiencing since January 2001.

## **SPECIAL TOPIC:**

### **Fall Semester Starts at Treasure Valley Colleges & Universities**

Fall marks the beginning of school for many colleges in the Treasure Valley. Many changes have occurred at these schools, and the following is an overview of some of the changes at these institutions.

- Boise State University welcomed its new President, Bob Kustra, and started construction on its first academic building on the Canyon County campus in mid-August. The new 65,000-square-foot building will house classroom instruction, science laboratory instruction, student services, a library, and a bookstore. When new buildings are constructed, the amenities may change. Completion of the building is expected by December 2004.
- Northwest Nazarene University (NNU) was again named one of the best universities in the Western Region by *U.S. News & World Report*. The report ranked NNU at number 30 in the top tier among master's-level universities in the west. NNU continues its 15-month MBA program and its accelerated business degree, the STEP program.
- Albertson College of Idaho (ACI) welcomed its new President, Robert Hoover, in August. ACI continues to be named one of the best 214 liberal arts colleges in the nation, ranked in the third tier by *U.S. News and World Report*. The school was also named as one of the nation's best 351 colleges (top 10 percent of all U.S. colleges and universities) by The Princeton Review, and was listed as a "Best Value" in the 2004 edition of "The Unofficial, Unbiased Guide to the 328 Most Interesting Colleges."

## **CONSTRUCTION IN SOUTHWEST IDAHO**

The number of new dwelling units built in Southwest Idaho during the first six months of 2003 was 3,580, up 19.2 percent from the first six months in 2002, as shown in Treasure Valley Table 3 on page 13. The number of permits issued during the same period for Southwest Idaho was 11,180, up 2.6 percent from the first six months of 2002. The only areas to experience decreases in the number of new units constructed were Nampa, Caldwell, and Emmett with decreases of 1.3 percent, 4.3 percent, and 19.8 percent, respectively. Increases in the number of new units constructed included Boise, Meridian, Mountain Home, Payette, and Weiser with 30.7 percent, 31.7 percent, 56.3 percent, 11.1 percent, and 25.0 percent, respectively. Boise, Nampa, and Emmett experienced decreases from 2002 to 2003 in the number of permits issued, while Meridian, Caldwell, Mountain Home, Payette, and Weiser

Treasure Valley Table 3: Construction in Southwest Idaho

|                | New Units    |              |             | Total Permits |               |            |
|----------------|--------------|--------------|-------------|---------------|---------------|------------|
|                | 2002         | 2003         | % change    | 2002          | 2003          | change     |
| Boise          | 541          | 707          | 30.7        | 7,099         | 6,959         | -2.0       |
| Meridian       | 492          | 648          | 31.7        | 804           | 1,109         | 37.9       |
| Caldwell       | 371          | 355          | -4.3        | 392           | 428           | 9.2        |
| Nampa          | 830          | 819          | -1.3        | 1,027         | 916           | -10.8      |
| Emmett         | 86           | 69           | -19.8       | 201           | 163           | -18.9      |
| Mountain Home  | 48           | 75           | 56.3        | 142           | 155           | 9.2        |
| Payette        | 9            | 10           | 11.1        | 33            | 45            | 36.4       |
| Weiser         | 4            | 5            | 25.0        | 8             | 10            | 25.0       |
| Unincorporated | 622          | 892          | 43.4        | 1,195         | 1,395         | 16.7       |
| <b>Total</b>   | <b>3,003</b> | <b>3,580</b> | <b>19.2</b> | <b>10,901</b> | <b>11,180</b> | <b>2.6</b> |

Source: Wells Fargo Idaho Construction Report, June 2003

experienced an increase in the number of permits issued. *New Units* refers to the number of residential units built, including single-family, multi-family, and mobile home units. *Total Permits* refers to the number of construction permits authorized for new residential, new nonresidential, and additions, alterations and repairs to existing buildings.

## AREA DEVELOPMENTS

### Boise City MSA

- The Hispanic Cultural Center of Idaho opened in Nampa on September 6. The 36,000-square-foot facility features several rooms to be used for lectures, classes, and training; a multipurpose community room that can accommodate up to 350 people; culinary classrooms; a computer lab; a gift shop; a gallery that will house artwork by local, national, and international artists; rooms where English and Spanish financial classes will be offered by Home Federal; and a library. At the grand-opening celebration, Dana Gioia, the National Endowment for the Arts chairman, spoke to supporters and the public who gathered to celebrate the opening.
- The Technology and Entrepreneurial Center (TECenter) on Boise State University's west campus in Nampa opened in September. The TECenter already has its first three start-up business clients and could eventually house up to 30 start-up companies. The TECenter is located in a 38,000-square-foot technology incubator. The first three TECenter incubator tenants are: Tiburon Corporation, a software development firm developing applications for specific industries; I.O. Dupont LLC, developers of proprietary technology for brake and shifter cabling applications; and Rohm University LLC, offering computer and business courses.

- Saint Alphonsus Regional Medical Center (St. Al's) announced in August that it would offer a new cancer treatment at the St. Al's Cancer Care Center in Caldwell. The Intensity Modulated Radiation Therapy (IMRT) is a more precise radiation technique and will be available to patients at St. Al's in Boise this fall and at St. Luke's in Boise and Meridian in January. The IMRT allows doctors to deliver high doses of radiation

directly to the cancer cells more precisely than with conventional radiation therapy. A 2002 study by the Memorial Sloan-Kettering Cancer Center of prostate cancer patients found that tumors of patients treated with IMRT were more likely to dissolve than with older radiation therapy techniques. Potentially, this could help many cancer patients.

- Jackson's Food Stores, Inc. announced in early August that it was negotiating with Steve Eddy to acquire several local Chevron stations and convenience stores. Both owners expect the potential transition to be smooth with the businesses remaining open and no job losses.
- The area surrounding Karcher Mall is growing quickly, with Lowe's and Home Depot constructing large home-improvement retail centers. Other construction announcements in the area include Big 5 Sporting Goods, which started construction at a new facility at Karcher Mall, and Golden Corral, which started construction on a new restaurant near the Edwards Theatres complex.
- In other recent business happenings in the Boise City MSA, Rusty's Drive Inn in Boise closed; Tom Scott Honda moved from Caldwell to a new dealership in Nampa; the Magical Treehouse consignment store moved from Nampa to Caldwell; Aca-pulco restaurant moved to a new spot in Karcher Mall near Jo-Ann Fabrics; construction started on The Willows, a new office complex in Caldwell; the Mona Lisa Fondue Restaurant in Nampa started expanding its current facility to include a banquet room; Craft Warehouse announced plans to open a 21,000-square-foot store in the Meridian Crossroads shopping center in late-October; Maria's 8-Ball Express opened in Nampa, Mountain West Bank announced plans to open a branch office in Kuna; Sonic announced plans to open a

new restaurant on Broadway Avenue in Boise; Piazza di Vino Art Gallery and Wine Bar will open on 9th Street in Boise later this year; Commercial Tire Inc. recently leased a 27,000-square-foot industrial building in Meridian where the business will move its headquarters; Mutual Materials Company announced plans to open a concrete paver plant in Boise in early 2004; and Walgreens announced plans to start construction on a new store near the intersection of Glenwood and State Streets in Garden City.

#### **Boise County**

- Bogus Basin Ski Resort is preparing for another season, and announced its fall schedule in late August. The mountain resort will be open seven days and five nights per week. Resort officials also announced that it would offer a discounted seasonal pass to people who missed out on the sale in the spring. In addition to the schedule changes, Bogus Basin will open a snow-tubing park that is expected to bring in about \$400,000 to \$500,000 annually.

#### **Elmore County**

- The annual Three Island Crossing re-enactment of the Oregon Trail pioneer efforts to cross the Snake River at Glens Ferry was held in early August. Thousands of visitors attended the annual celebration, hosted by the Three Island Crossing Organization (TICO). The celebration included an equestrian/pedestrian parade, a dance, a breakfast, and entertainment including presentations about the North American Fur Trade, performances by Native American dancers, and a variety of musical acts.
- Area residents attended an open house for TLK Dairy in August. Visitors were able to tour the facility and see the complete daily operations from the birth of calves through the milking of cows. The dairy features two milking parlors, which can milk more than 500 cows per hour. The dairy can accommodate 5,000 cows.

#### **Gem County**

- Black Canyon Partners, LLC purchased land on both sides of Shalerock Road and hope to start construction on a new planned community in spring 2004. The property plans include two public 18-hole golf courses, a residential area, an equestrian center, and trails for horseback riding, hiking, and off-roading. The project is expected to cost near \$60 million and should be completed in about ten years.

- In other recent business happenings in Gem County the new helipad opened at Walter Knox Memorial Hospital in Emmett, and Linda Jackson joined the Gem County Chamber of Commerce as its Executive Director.

#### **Payette County**

- The Vacuum Shop recently opened a second store at 19 North Main Street in Payette. The original Vacuum Shop in Ontario and the new location in Payette both sell new and used vacuum cleaners and sewing machines of all makes and models. The store also services and repairs vacuum cleaners and sells every brand of bags and belts.

#### **Valley County**

- McCall Memorial Hospital recently relocated its outpatient therapy services to the Marketplace in McCall. The new 3,600-square-foot space will accommodate growing demand. The hospital is currently remodeling the former therapy area to provide more room for the administration and radiology departments.
- In early August, the town of Yellow Pine hosted its annual Yellow Pine Harmonica Contest. About 4,000 visitors attended the festival that featured 25 harmonica players performing as soloists and in groups. The annual event is the second largest of its kind in the nation, and the \$6,000 that is raised by the annual festival will pay for upcoming roadwork and municipal projects.
- Lake Port Plaza in downtown McCall, formerly May Hardware, has been remodeled and held its grand opening over Labor Day Weekend. The plaza houses the offices of Lonesome Dove Construction, Fields and Hopkins Realtors LLC, North Star Log Systems, Brundage Residential Design, and Lake Port Bath & Body. Nonnie's on the Lake, a European café, will open in the plaza this fall.

#### **Washington County**

- Jim and Cora May Henney recently purchased Mel's Trading Post on East Idaho Street in Weiser, and renamed it the Henn House Trading Post. Mel and Joyce Baker, who sold the business to the Henney's after owning and operating the business for 23 years, are retiring.

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# MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

## EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Magic Valley Labor Market Area (LMA) was 3.7 percent in July 2003. This was unchanged from June 2003 and two-tenths of a percentage point lower than July 2002. There was a large year-over-year increase in *Civilian Labor Force* of 5,350 persons or a 10.8 percent gain. Although there was a slight gain in unemployed workers (100), the large gain in *Civilian Labor Force* resulted in a lower unemployment rate.

Very few employment sectors showed a drop in the Magic Valley LMA from June to July 2003. The sectors that decreased year-over-year were *Natural Resources & Mining*, *Wholesale Trade*, *Utilities*, *Leisure & Hospitality*, and *Government Administration*. The largest decreases occurred in *Natural Resources & Mining* with a 50.0 percent decrease, and *Utilities* with a 27.3 decrease. *Natural Resources & Mining* jobs in South Central Idaho typically are attached to rock crushing and excavation. Those jobs were consolidated in one area, hence the reduction of jobs. *Utilities* have cut back staff, primarily in small hydro-dam operations. The extreme heat and low water of this summer have caused problems with that sector.

Many sectors showed outstanding growth in the past year. *Construction* had a strong 9.2 percent increase. This is attributable to brisk residential and business construction. Twin Falls is on record pace for new housing starts fueled by extremely low mortgage rates. New businesses such as Best Buy and Sportsmen's Warehouse on the North Canyon Rim have either built new facilities or done extensive modifications of existing buildings. *Manufacturing* increased 8.9 percent with *Food Processing* as the main driver in the upswing. Despite serious layoffs in food processing in the Mini-Cassia region, the western Magic Valley remains very strong in that sector. Seneca Foods is running at full volume and Con Agra Lamb-Weston has increased its staff by a few potato processors. Rite Stuff Foods in Jerome moved its corporate headquarters from Downey, California, to Jerome. *Retail Trade* also showed a 3.6 percent increase, which

Magic Valley Table 1: Labor Force & Employment  
Twin Falls, Jerome, and Gooding Counties

|  | July<br>2003* | June<br>2003 | July<br>2002 | % Change From |              |
|--|---------------|--------------|--------------|---------------|--------------|
|  |               |              |              | Last<br>Month | Last<br>Year |
| <b>INDIVIDUALS BY PLACE OF RESIDENCE</b> |               |              |              |               |              |
| <b>Seasonally Adjusted</b>               |               |              |              |               |              |
| Civilian Labor Force                     | 55,000        | 55,110       | 49,650       | -0.2          | 10.8         |
| Unemployment                             | 2,060         | 2,040        | 1,960        | 1.0           | 5.1          |
| % of Labor Force Unemployed              | 3.7           | 3.7          | 3.9          |               |              |
| Total Employment                         | 52,940        | 53,070       | 47,690       | -0.2          | 11.0         |
| <b>Unadjusted</b>                        |               |              |              |               |              |
| Civilian Labor Force                     | 55,590        | 55,810       | 51,020       | -0.4          | 9.0          |
| Unemployment                             | 1,930         | 1,870        | 1,890        | 3.2           | 2.1          |
| % of Labor Force Unemployed              | 3.5           | 3.4          | 3.7          |               |              |
| Total Employment                         | 53,660        | 53,940       | 49,130       | -0.5          | 9.2          |
| <b>JOB BY PLACE OF WORK</b>              |               |              |              |               |              |
| <b>Nonfarm Payroll Jobs**</b>            | 43,030        | 43,180       | 39,850       | -0.3          | 8.0          |
| <b>Goods-Providing Industries</b>        | 8,020         | 7,920        | 7,380        | 1.3           | 8.7          |
| Natural Resources & Mining               | 20            | 20           | 40           | 0.0           | -50.0        |
| Construction                             | 2,370         | 2,270        | 2,170        | 4.4           | 9.2          |
| Manufacturing                            | 5,630         | 5,630        | 5,170        | 0.0           | 8.9          |
| Food Manufacturing                       | 3,550         | 3,680        | 3,250        | -3.5          | 9.2          |
| Other Manufacturing                      | 2,080         | 1,950        | 1,920        | 6.7           | 8.3          |
| <b>Service-Providing Industries</b>      | 35,010        | 35,260       | 32,470       | -0.7          | 7.8          |
| Trade, Transportation & Utilities        | 10,150        | 10,060       | 9,670        | 0.9           | 5.0          |
| Wholesale Trade                          | 1,820         | 1,710        | 1,840        | 6.4           | -1.1         |
| Retail Trade                             | 6,020         | 6,050        | 5,810        | -0.5          | 3.6          |
| Utilities                                | 160           | 160          | 220          | 0.0           | -27.3        |
| Transportation & Warehousing             | 2,150         | 2,150        | 1,800        | 0.0           | 19.4         |
| Information                              | 500           | 500          | 500          | 0.0           | 0.0          |
| Financial Activities                     | 1,770         | 1,700        | 1,690        | 4.1           | 4.7          |
| Professional & Business Services         | 5,440         | 6,220        | 5,280        | -12.5         | 3.0          |
| Educational & Health Services            | 3,700         | 3,730        | 3,080        | -0.8          | 20.1         |
| Leisure & Hospitality                    | 3,510         | 3,180        | 3,600        | 10.4          | -2.5         |
| Other Services                           | 1,500         | 1,410        | 1,480        | 6.4           | 1.4          |
| Government Education                     | 4,390         | 4,460        | 3,040        | -1.6          | 44.4         |
| Government Administration                | 4,050         | 4,000        | 4,130        | 1.3           | -1.9         |

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

is notable because growth in the sector had been mostly flat earlier in the year. There should be continued growth in this sector due to the opening of Best Buy and Sportsmen's Warehouse. These stores have hired approximately 150 full- and part-time workers. The only double-digit increases in any sectors were *Transportation & Warehousing* and *Educational & Health Services* with 19.4 percent and 20.1 percent, respectively.

The Magic Valley economy continues to perform very well despite recessionary tendencies both nationwide and statewide, but the area has not been immune to negative situations. Moore North American is in the process of closing, and over 100 workers will be permanently displaced. However, new jobs have been created and the economic indicators are good. The robust housing market is the major factor in the strong growth in construction jobs, while technology jobs, represented primarily by Dell workers, are holding steady. The growing season in agriculture has been average. An extremely hot summer has resulted in early grain and potato harvests. The dairy industry is

facing extreme challenges due to very low prices, and growth in that sector has flattened out. Also, environmental factors associated with dairy farms are very much in the mind of public officials and not many of new Confined Animal Feeding Operations have been approved. The extremely hot weather and drought have raised concerns about the water year in 2004. American Falls Reservoir is essentially empty with only a 3.0 percent carryover of water. Groundwater tables are dropping and the need for moisture during the winter cannot be overstated. Already farm operators are looking at alternative irrigation methods and senior water right holders are maneuvering to solidify water claims. Despite all of this, the Magic Valley economy remains diverse and one of the strongest in the state.

## **AREA DEVELOPMENTS**

### **Twin Falls County**

- A new Mexican restaurant will be opening at the site of the former Creekside Restaurant at 233 Fifth Avenue South in the Historic Old Towne section of Twin Falls. The new restaurant, El Rinconcito, is tentatively scheduled to open in mid-September. The restaurant will offer a full variety of favorite Mexican dishes and reasonable prices. El Rinconcito is owned by the Varela family and should employ 25-40 full- and part-time workers.
- A new wildfire attack satellite base will be built at the Twin Falls airport for use in 2004. Groundbreaking has already taken place for the ten-acre base facility on the southeast end of Joslin Field. It will accommodate heavy air tanker fire retardant loads and speed response time to wildfires burning across the Magic Valley's desert range, the South Hills, southern portions of the Sawtooth National Forest, northern Nevada, and the Wood River Valley.
- Major construction has started on a new, larger building to replace the Albertson's grocery store on the corner of Blue Lakes Boulevard and Addison Avenue in Twin Falls. The plans call for a size increase from 35,000-square feet to 52,417-square feet. Eight duplexes behind the store will be moved. The new store will be slightly west of the current store's location. The existing Mongolian Restaurant, Episcopal Church of the Ascension, and small shopping center will be demolished and some of the businesses relocated. The store's entrance will face Blue Lakes Boulevard; the current store faces Addison Avenue. The future of the old store building is still undetermined.
- North's Chuck Wagon on Kimberly Road in Twin Falls has closed after 26 years in business. The owners said they could not compete with the new eating establishments recently opening in the north rim area of Twin Falls. The closure displaces 22 full- and part-time employees.
- A new UPN affiliate television station with supplemental Christian and regional programming will soon be broadcasting in the Twin Falls and Sun Valley areas. KIDA-TV plans to air on cable-free Channel 5 from a Sun Valley signal. The full-service station will

run programming from the former L'Harrison Building on Blue Lakes Boulevard in Twin Falls. In addition to UPN television, it is hoped that the new station will air local news and other local programming.

### **Blaine, Camas, Gooding, Jerome, and Lincoln Counties**

- An Open House was held in August for the new Wood River High School in Hailey. The new school has 36 general classrooms, three science complexes, two domestic science-culinary arts rooms, two computer classrooms, four special education rooms, one distance learning room, two business labs, two English as a Second Language classrooms, a 6,000-square-foot media center, two art rooms, and two music rooms with a piano lab and a black box theater. The new gymnasium seats 2,800 persons and is 48 feet tall from floor to rafters. This school was made possible by a school bond passed in 2001.
- St. Benedicts Family Medical Center in Jerome will soon break ground for a new 25-bed inpatient hospital in the Crossroads Area of Jerome to better serve the people of Jerome County. The new facility will allow the hospital to bring more specialty doctors to Jerome County.

### **Cassia and Minidoka Counties**

- Kraft Foods, Inc. announced that the Rupert Plant would begin production of a new cheese product this fall, which will require the plant to hire 35 full-time hourly workers as well as some seasonal workers. The new product will be produced on a line Kraft installed just prior to an announced layoff last fall when the company displaced 50 workers. The new jobs will be filled through a targeted interviewing process that includes current employees who may wish to switch from a current line to the new line, as well as other qualified applicants. The company said that laid off personnel from the previous displacement will not necessarily be given jobs, but rather the company would hire the most qualified applicants.
- Idaho Governor Dirk Kempthorne, Idaho U.S. Senator Larry Craig, and Idaho Parks and Recreation Department Director Rick Colignon recently dedicated the Castle Rocks area near Almo in southern Cassia County as Idaho's newest state park. The area, known for its monolithic rock formations, has long been a tourist attraction.
- The U.S. Forest Service has approved a proposal by Syringa Network, LLC of Rupert to install 22 miles of fiber optic line on national forest from Galena to Lake Creek just north of Ketchum. This decision followed the completion of an environmental assessment by U.S. Forest Service resource specialists.

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# SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

## EMPLOYMENT TRENDS

The Pocatello Metropolitan Statistical Area's (MSA) seasonally adjusted unemployment rate increased three-tenths of a percentage point to 5.2 percent in July 2003 from the June 2003 revised rate of 4.9 percent. School closures in June drove the rate change because Idaho State University (ISU) students left the area and the *Civilian Labor Force* dropped 1.7 percent, while unemployment crept up 3.0 percent. An encouraging sign of economic improvement was the drop in the unemployment rate from last year. In July 2002 the unemployment rate reached 6.4 percent, but fell 1.2 percent to the July 2003 rate of 5.2 percent.

The Pocatello MSA's unemployment rate ranked third out of the two MSAs and six Labor Market Areas (LMAs) in Idaho. The Bonneville and Magic Valley LMAs' unemployment rates were lowest, both at 3.9 percent, followed by the Seaport LMA at 4.4 percent. The Pocatello MSA's rate remained below the state rate of 5.6 percent and the U.S. rate of 6.2 percent.

*Nonfarm Payroll Jobs* at 32,170 in July 2003 declined by 570 jobs from 32,740 in June 2003. The drop occurred in both the *Goods-Producing Industries* (-40) and the *Service-Providing Industries* (-530), but the decreases showed up mainly in *Government Education* (-610) because of school closures. In the *Goods-Producing Industries*, *Manufacturing* gained 30 jobs, but the gain was offset by the loss of 70 construction jobs. Some of the construction job losses were because of the reduction in force at S.M.E. Steel Contractors. The company cited a lack of major contracts as the reason for the reduction.

Other than the 610-job loss because of school closures, the other notable loss in the *Service-Providing Industries* was 140 jobs in *Leisure & Hospitality*. Since losses occurred within each of the

Southeast Idaho Table 1: Labor Force & Employment  
Pocatello City MSA (Bannock County)

|  | July<br>2003* | June<br>2003 | July<br>2002 | % Change From |              |
|--|---------------|--------------|--------------|---------------|--------------|
|  |               |              |              | Last<br>Month | Last<br>Year |
| <b>INDIVIDUALS BY PLACE OF RESIDENCE</b> |               |              |              |               |              |
| <b>Seasonally Adjusted</b>               |               |              |              |               |              |
| Civilian Labor Force                     | 39,970        | 40,650       | 39,980       | -1.7          | 0.0          |
| Unemployment                             | 2,060         | 2,000        | 2,540        | 3.0           | -18.9        |
| % of Labor Force Unemployed              | 5.2%          | 4.9%         | 6.4%         |               |              |
| Total Employment                         | 37,910        | 38,650       | 37,440       | -1.9          | 1.3          |
| <b>Unadjusted</b>                        |               |              |              |               |              |
| Civilian Labor Force                     | 38,760        | 40,020       | 38,720       | -3.1          | 0.1          |
| Unemployment                             | 1,930         | 1,870        | 2,370        | 3.2           | -18.6        |
| % of Labor Force Unemployed              | 5.0%          | 4.7%         | 6.1%         |               |              |
| Total Employment                         | 36,830        | 38,150       | 36,250       | -3.5          | 1.6          |
| <b>JOBS BY PLACE OF WORK</b>             |               |              |              |               |              |
| <b>Nonfarm Payroll Jobs** - NAICS</b>    | 32,170        | 32,740       | 31,520       | -1.7          | 2.1          |
| <b>Goods-Producing Industries</b>        | 4,380         | 4,420        | 4,330        | -0.9          | 1.2          |
| Natural Resources & Mining               | 10            | 10           | 20           | 0.0           | -50.0        |
| Construction                             | 1,820         | 1,890        | 1,710        | -3.7          | 6.4          |
| Manufacturing                            | 2,550         | 2,520        | 2,600        | 1.2           | -1.9         |
| Food Manufacturing                       | 470           | 470          | 450          | 0.0           | 4.4          |
| Fabricated Metal Product Manufacturing   | 110           | 110          | 120          | 0.0           | -8.3         |
| Machinery Manufacturing                  | 30            | 30           | 40           | 0.0           | -25.0        |
| Other Manufacturing                      | 1,940         | 1,910        | 1,990        | 1.6           | -2.5         |
| <b>Service-Providing Industries</b>      | 27,790        | 28,320       | 27,190       | -1.9          | 2.2          |
| Trade, Transportation & Utilities        | 6,650         | 6,620        | 6,620        | 0.5           | 0.5          |
| Wholesale Trade                          | 980           | 1,000        | 1,050        | -2.0          | -6.7         |
| Retail Trade                             | 4,410         | 4,380        | 4,300        | 0.7           | 2.6          |
| Utilities                                | 50            | 50           | 50           | 0.0           | 0.0          |
| Transportation & Warehousing             | 1,210         | 1,190        | 1,220        | 1.7           | -0.8         |
| Information                              | 690           | 700          | 680          | -1.4          | 1.5          |
| Financial Activities                     | 1,780         | 1,790        | 1,830        | -0.6          | -2.7         |
| Professional & Business Services         | 3,420         | 3,390        | 3,240        | 0.9           | 5.6          |
| Educational & Health Services            | 2,840         | 2,860        | 3,060        | -0.7          | -7.2         |
| Leisure & Hospitality                    | 3,170         | 3,310        | 3,210        | -4.2          | -1.2         |
| Other Services                           | 1,290         | 1,200        | 1,200        | 7.5           | 7.5          |
| Government Education                     | 3,790         | 4,400        | 3,610        | -13.9         | 5.0          |
| Government Administration                | 4,150         | 4,060        | 3,740        | 2.2           | 11.0         |

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

*Leisure & Hospitality* subcategories—*Arts, Amusement & Recreation* (-50); *Accommodations* (-40); and *Food Services & Drinking Places* (-50)—they were likely because temporary jobs added for special events throughout spring ended.

From July 2002 to July 2003 the MSA gained 650 *Nonfarm Payroll Jobs*. The increase occurred in both the *Goods-Producing Industries* and *Service-Providing Industries*. *Professional & Business Services* and *Government Education* led job growth with 180 additional jobs in each category because of added customer service contracts at local call centers and increased student employment at ISU. *Construction* and *Retail Trade* gained 110 jobs each. Construction activity increased more than 80 percent over the year. Increases occurred in both residential and nonresidential construction,

primarily because of historically low interest rates. The addition of *Retail Trade* jobs occurred because of new retail businesses that opened this year and because consumer spending improved.

#### **SPECIAL TOPIC: Job Service Offices Exceed Workforce Investment Act Service Provider Goals**

Bob Perky, Director of the Southeast *IdahoWorks* Board, reported recently that an audit of performance measures indicated that the Job Service offices in Pocatello and Blackfoot had exceptional performance last year. The two offices are the designated service providers of the employment and training needs of individuals qualified under the Workforce Investment Act (WIA).

During the program year 2002 (July 1, 2002 – June 30, 2003), most of the performance goals were met or exceeded, resulting in a variety of incentive payments to the Southeast *IdahoWorks* Board. The efforts of Job Service and partner agencies have helped many individuals acquire employment, education, and training. With the help of WIA, these people are contributing members to their communities.

Overall 512 adults, dislocated workers, and youth enrolled in the WIA programs in Southeast Idaho during the 2002 program year. The majority of these people—291—were dislocated workers. Over 196 individuals exited the program, most to jobs or to further education. The goals for the year were more than met and within the budgeted amounts. Job Service staff exceeded their goals in services to dislocated workers and in adult programs, and achieved 95 percent of their goal in the youth program—an impressive achievement.

#### **AREA ECONOMIC DEVELOPMENTS**

*Please note: Information in Economic Developments is obtained from area newspapers, local Job Service offices, trade publications, local area Chambers of Commerce publications, and other sources.*

##### **Bannock County**

- Construction is nearly complete on a new Quiznos sandwich shop in Pocatello. The business is located on the corner of Center Street and South Fifth and should open by the end of October.
- Franklin Building Supply opened in Pocatello at 1951 Flandro Drive. The business held a grand opening celebration in August. It offers a full line of building supplies, ranging from framing to finish products, and services for professional builders. The business also has experienced staff to assist individuals with their home-building and improvement projects.

- Early Start, a developmental preschool focusing on pre-academics and communication, has opened in Pocatello. Alyson Elsethagen, M.S., CCC-SLP, a certified speech language pathologist, and Kay Elsethagen, B.A., Elem. Ed., operate the preschool, which is located at 10 Drake.

##### **Bear Lake County**

- A new restaurant, El Rodeo, recently opened in Montpelier. The restaurant, owned by Efrian Brambila and Orencio Brambila, serves authentic Mexican food. The owners also have restaurants in Pocatello and Soda Springs.

##### **Bingham County**

- Valley Medical Shoppe has opened a store in Blackfoot. The medical shop, located at 1350 Parkway Drive, No. 26, held a grand opening celebration in August. Owners Gary Aiman, a respiratory therapist, and Rick Smith, a registered nurse, stocked the store with a wide variety of medical supplies and equipment.
- Moreland Grain and Seed added two 125,000-bushel grain bins and a 10,000-bushel per hour elevator at its Moreland site. The addition increased the business' storage capacity to 1.1 million bushels. The addition eliminates the need to store grain on the ground where it can be damaged and lose some of its value.
- A \$40,000 renovation of the Potato Expo parking lot in downtown Blackfoot was completed in August. It was part of a long-term revitalization plan for historic downtown Blackfoot. The renovation enhanced access and the appearance of the Potato Expo, which also houses the Greater Blackfoot Chamber of Commerce. Improvements included new asphalt and curbing, handicapped accessibility, additional parking, and new grass and trees.

##### **Franklin County**

- Preparations have begun for moving the historic Oneida Academy. Lindsay Moving & Rigging began cutting the academy's foundation and will cut portals for steel beams to be used to carry the building. Preparation for moving the building will take two to three months. The building will be moved three blocks to Benson Park where it will be set on a new foundation and prepared for renovation.

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# NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

## EMPLOYMENT TRENDS

July's seasonally-adjusted unemployment rate for the Bonneville Labor Market Area (LMA) increased two-tenths of a percentage point over the month to 3.7 percent, but decreased four-tenths of a percentage point compared to July 2002, as seen in Northeast Table 1. Compared to the other LMAs throughout the state and the two Metropolitan Statistical Areas (Boise and Pocatello), Bonneville LMA's July unemployment rate was the lowest in Idaho, along with the Magic Valley LMA. The Bonneville LMA rate was 1.9 percentage points lower than the state's rate of 5.6 percent and 2.5 percentage points lower than the national rate of 6.2 percent. All four counties in the LMA individually showed slight changes of one-tenth of a percent with the exception of Butte County, which increased seven-tenths of a percentage point over the month. Since layoffs from the Idaho National Engineering & Environmental Laboratory (INEEL) started in 2001, even small changes in the county can significantly affect the percentage rate. There will probably continue to be larger percentage changes in the rate compared to the other three counties since more layoffs are occurring at the INEEL through its main contractor, Bechtel BWXT, throughout the rest of the year. Year-over-year, three of the counties in the Bonneville LMA showed unemployment rate decreases with the exception of Butte County, which increased three-tenths of a percentage point. Idaho Falls, the largest city in the LMA, showed a one-tenth-percentage point rate increase over the month; the rate was a four-tenths percentage point decrease from July 2002.

Other counties in Northeast Idaho showed some changes over the month. Both Custer and Fremont Counties experienced seven-tenths of a percentage

Northeast Idaho Table 1: Labor Force & Employment  
Bonneville, Bingham, Butte, and Jefferson Counties

|  | July<br>2003* | June<br>2003 | July<br>2002 | % Change From |              |
|--|---------------|--------------|--------------|---------------|--------------|
|  |               |              |              | Last<br>Month | Last<br>Year |
| <b>INDIVIDUALS BY PLACE OF RESIDENCE</b> |               |              |              |               |              |
| <b>Seasonally Adjusted</b>               |               |              |              |               |              |
| Civilian Labor Force                     | 81,790        | 82,690       | 82,410       | -1.1          | -0.8         |
| Unemployment                             | 3,020         | 2,930        | 3,370        | 3.1           | -10.4        |
| % of Labor Force Unemployed              | 3.7           | 3.5          | 4.1          |               |              |
| Total Employment                         | 78,770        | 79,760       | 79,040       | -1.2          | -0.3         |
| <b>Unadjusted</b>                        |               |              |              |               |              |
| Civilian Labor Force                     | 83,530        | 84,220       | 83,210       | -0.8          | 0.4          |
| Unemployment                             | 2,650         | 2,520        | 2,960        | 5.2           | -10.5        |
| % of Labor Force Unemployed              | 3.2           | 3.0          | 3.6          |               |              |
| Total Employment                         | 80,880        | 81,710       | 80,250       | -1.0          | 0.8          |
| <b>JOB BY PLACE OF WORK</b>              |               |              |              |               |              |
| <b>Nonfarm Payroll Jobs** - NAICS</b>    | 65,720        | 64,620       | 63,360       | 1.7           | 3.7          |
| <b>Goods-Producing Industries</b>        | 11,400        | 10,890       | 10,150       | 4.7           | 12.3         |
| Natural Resources & Mining               | 80            | 80           | 90           | 0.0           | -11.1        |
| Construction                             | 5,810         | 5,390        | 5,010        | 7.8           | 16.0         |
| Manufacturing                            | 5,510         | 5,420        | 5,050        | 1.7           | 9.1          |
| Food Manufacturing                       | 2,760         | 2,730        | 2,690        | 1.1           | 2.6          |
| Fabricated Metal Product Manufacturing   | 300           | 310          | 270          | -3.2          | 11.1         |
| Machinery Manufacturing                  | 500           | 480          | 420          | 4.2           | 19.0         |
| Other Manufacturing                      | 1,950         | 1,900        | 1,670        | 2.6           | 16.8         |
| <b>Service-Providing Industries</b>      | 54,320        | 53,730       | 53,210       | 1.1           | 2.1          |
| Trade, Transportation & Utilities        | 14,280        | 14,140       | 14,670       | 1.0           | -2.7         |
| Wholesale Trade                          | 4,840         | 4,830        | 5,030        | 0.2           | -3.8         |
| Retail Trade                             | 7,490         | 7,440        | 7,910        | 0.7           | -5.3         |
| Utilities                                | 110           | 100          | 100          | 10.0          | 10.0         |
| Transportation                           | 1,840         | 1,770        | 1,630        | 4.0           | 12.9         |
| Information                              | 820           | 830          | 910          | -1.2          | -9.9         |
| Financial Activities                     | 2,050         | 2,040        | 2,090        | 0.5           | -1.9         |
| Professional & Business Services         | 11,790        | 11,700       | 11,790       | 0.8           | 0.0          |
| Educational & Health Services            | 6,460         | 6,390        | 6,030        | 1.1           | 7.1          |
| Leisure & Hospitality                    | 5,220         | 5,020        | 5,140        | 4.0           | 1.6          |
| Other Services                           | 2,250         | 2,260        | 2,380        | -0.4          | -5.5         |
| Government Education                     | 4,920         | 5,060        | 4,050        | -2.8          | 21.5         |
| Government Administration                | 6,530         | 6,290        | 6,150        | 3.8           | 6.2          |

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

point increase in the unemployment rate as planting seasons ended and agricultural employment dropped to only necessary workers until preparation for harvest season starts. Year-over-year, the counties saw only small changes in the unemployment rate with the exception of Custer County, which experienced a decrease of 1.1 percentage points. Custer County's economy is highly dependent on agriculture, so changes in weather, crop maturation, and consumer demand affect employment. County unemployment rates for July 2003 are shown on State Table 1 on page 3.

The Bonneville LMA added 1,100 *Nonfarm Payroll Jobs* from June to July 2003. *Construction, Leisure & Hospitality, and Government Administra-*

tion were all large contributors. *Construction* showed the largest monthly gain of all industries with 420 jobs as all four counties continue to show steady demand in new construction. *Leisure & Hospitality* and *Government Administration* showed increases due to seasonal factors, such as tourism and the need for summer facility and grounds maintenance personnel. The only significant losses experienced over the month were in *Other Services* and *Government Education*.

Year-over-year, *Nonfarm Payroll Jobs* increased by 2,360 jobs with gains in *Goods-Producing Industries* (1,250 jobs) outweighing gains in *Service-Providing Industries* (1,110 jobs). *Construction* gained 800 jobs with low interest rates making new opportunities favorable. *Manufacturing* gained 460 jobs, most coming from the *Other Manufacturing* sector. *Government Education*, *Government Administration*, and *Educational & Health Services* were also large contributors. Losses were noted in *Wholesale Trade* and *Retail Trade* along with smaller losses in *Information* and *Financial Activities* with effects of the national recession still playing a part in consumer conservatism.

## AREA DEVELOPMENTS

### Bonneville County

- The Scrap Coop, a new scrapbooking store located at 557 South Woodruff in Idaho Falls, is dedicated strictly to scrapbooking. Owner Janet Stephenson wanted to make sure the avid scrapbooker could find everything important to the craft. The Gathering Place, a defined space of comfortable seats and a library of idea books and albums, was included in the store for atmosphere and knowledge while children will have their own place to unwind with toys, games, and television. The business also includes an events and education coordinator to plan workshops, weekend retreats, and scrapbook cruises (the ultimate escape for the avid scrapbooker). A computer teacher will offer technological methods for finding new art and for making scrapbooking unique. A professional photographer will also set up once a month to take portraits and teach classes. Night classes and a special order counter round out the selection of offerings. More information is available at [thescrapcoop@cs.com](mailto:thescrapcoop@cs.com) or at (208) 390-1893.
- Bed Bath & Beyond Inc. is opening a store at the Sportsman Warehouse Plaza next to the newly opened T.J. Maxx in Ammon, near Idaho Falls. Founded in 1971, Bed Bath & Beyond is a nationwide chain of superstores that sell predominantly better quality domestics merchandise and home furnishings. It is scheduled to open in September.

- NanoSteel, a research and development center owned by Florida-based parent company MILCOM Technologies, recently had an open house in Idaho Falls. The company is working with a powder that can be applied to metal surfaces to quadruple the surface hardness while adding very little physical weight. Dan Branagan, the inventor of the super-hardened steel coating developed at the INEEL, is NanoSteel's chief technical officer. Although the total number of full-time employees is four, its growth potential is sizeable over the next several years. The company is located at 505 Lindsay Boulevard.
- UPS is moving its operation from Utah Avenue to Broadway Avenue in Idaho Falls. While it's not a very far move, it is a welcome change from its location of almost 30 years. Completion of the new shipping and receiving center is expected by May 2004. The Utah Avenue location will become part of the urban renewal project.
- Weinhoff Drug Testing has now opened an office in Idaho Falls at 2235 East 25th Street, Suite 150. The company has been in business for almost 15 years in Boise. Instant tests, drug-free workplace programs, student testing, laboratory testing, breath testing, hair testing, and DNA testing are all offerings of the company. For more information, call (208) 528-9000.

### Madison County

- Following trend as expected, BYU-Idaho added more students this fall than it had at record-breaking levels last year, with 10,667 full-time equivalent students for the semester. Now offering 49 baccalaureate degrees, the university continues to grow and expand its offerings. More degrees will continue to be added over the next couple of years, so the growth trend should continue. Rexburg is also growing and expanding, and more housing is being added to accommodate both single and married students, while services needed by these temporary-to-permanent residents continue to expand.

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## DEPARTMENT'S WEB PAGE SELECTED FOR NATIONAL FIRST PLACE AWARD

The Idaho Department of Labor was selected as national first place winner of the 2003 Labor Market Information (LMI) Communications Publication Award in August for providing an easy-to-understand explanation of the complex Davis-Bacon and Related Acts on its Internet website.

The National Association of State Workforce Agencies (NASWA) recognized the Department's "Davis Bacon Basics Step-by-Step" labor market information publication (found on-line at [www.jobservice.ws](http://www.jobservice.ws)). The award recognizes publications that provide quality information in the category of Electronic Product for Business Customers.

"Idaho's business community is fortunate to have the leadership of the Idaho Department of Labor to analyze and translate complex and critical economic and labor force data into easy-to-use information for business decision making," said Kate Cashen, NASWA's executive director.

The Davis-Bacon and Related Acts applies to contractors and subcontractors who are performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) to public buildings or public works. It requires those contractors and subcontractors to pay at least minimum wage—the *prevailing wage*—and fringe benefits to anyone working directly at the site. Davis-Bacon prevailing wages are determined by the U.S. Secretary of Labor and are based on wages and fringe benefits paid to laborers working on similar projects in the same area.

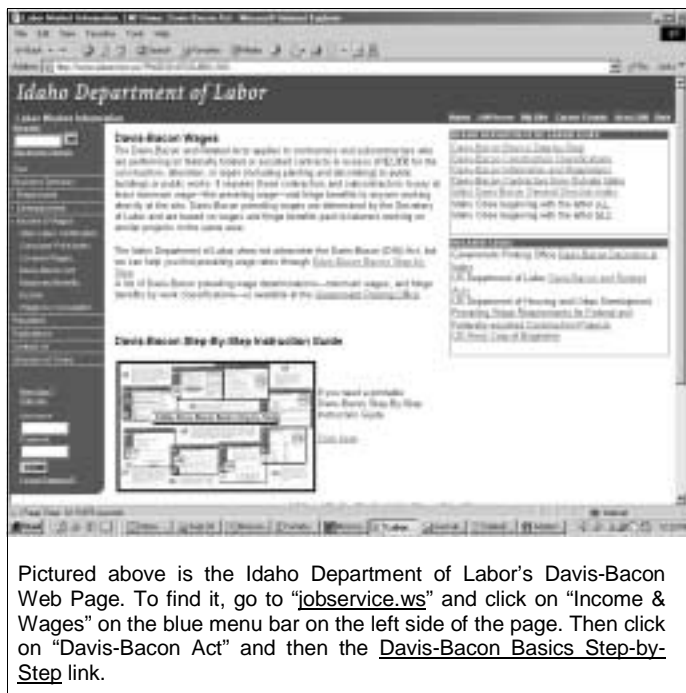
The Department produces the Idaho Employment & Wage Survey each year, making it the logical agency for contractors to consult when bidding on a job where they are required to pay the prevailing wage.

Prior to the development of the web page information, Department analysts were often frustrated when they were unable to help a customer with specific information about the Davis-Bacon requirements. The Davis-Bacon Basics Step-by-Step provides an electronic mechanism that allows a user to easily walk through, step-by-step, the Davis-Bacon wage determination process to determine the effective wage by construction type and area.

The web page is designed specifically for contractors bidding on federal jobs in Idaho, but contains links to valuable Davis-Bacon resources. There is also a link to aid out-of-state contractors who need information about

payroll taxes and who they can contact for more information.

"We are thrilled with this recognition of the outstanding work done by our Department staff," stated Roger Madsen, Director of the Idaho Department of Labor. He added, "LMI is the source for labor market information for the State of Idaho. Our customers can find economic information to help make informed decisions, whether the customer is an employer or a job seeker, a student or an economic analyst."



Pictured above is the Idaho Department of Labor's Davis-Bacon Web Page. To find it, go to "[jobservice.ws](http://www.jobservice.ws)" and click on "Income & Wages" on the blue menu bar on the left side of the page. Then click on "Davis-Bacon Act" and then the [Davis-Bacon Basics Step-by-Step](#) link.

The LMI Communication Publication Awards were created to encourage and support innovative Labor Market Information product development and education activities among the nation's workforce information partners. In order to qualify for this prestigious award, states must be able to exhibit exemplary efforts in the innovation, development, and dissemination of vital Labor Market Information.

Visit the Davis-Bacon Step-by-Step on Idaho's Internet Labor Market Information (LMI) website at [www.jobservice.ws](http://www.jobservice.ws). And tell your friends!

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2001. The July 2003 jobs level is 675 above July 2001 and 300 more than July 2002, indicating a steady growth trend. The *Accommodation* subsector has not yet fully recovered. In July 2001, there were 9,201 jobs in *Accommodations*. That number fell to 7,339 by the end of that year. This industry is still 1,500 jobs shy of reaching the July 2001 employment level at 8,700 jobs.

*Government's* July employment is a mixture of expected seasonal changes and the effects of longer-term trends. *Federal Government* usually hires seasonal workers for such activities as fire suppression and research tasks. Boise is the home to the National Interagency Fire Center and has a large warehouse, distribution, and equipment repair/maintenance mission in addition to coordinating actual fire fighting. Most of the warehouse workers are seasonal employees. Yet the year-over-year decrease in *Federal Employment* is indicative of a shrinking workforce in Idaho.

*State and Local Government Education* reduces instructional staff during the summer, but the small year-over-year changes suggest that current budget limitations or belt-tightening are resulting in the elimination of administrative and support jobs in the state's public schools and universities. The year-over-year declines in *State and Local Government Administration* are due to the same budget issues. As a result, fewer seasonal and recreational employees were hired, and permanent positions that were vacated were not filled at the end of the fiscal year.

### **Wildfires and Drought**

Summer always brings heightened concerns about the water supply adequacy and the potential damage that might be done by wildfires. Will there be enough water for irrigation, hydroelectric power generation, fish migration and propagation, and recreation? Will wildfires destroy timber supplies, grazing lands, watersheds, structures, and recreational/tourism attractions? These natural events have high economic costs that heighten the concerns.

Idaho is experiencing another very low water year, and 19 counties have been declared agricultural disaster areas. This is the same number that was reported in June, which is positive news of a sort. The temperatures were above normal—exceeding 100° for days at a time in southern Idaho—for much of July and there was very little rain. The lack of moisture did not help the drought situation, but the lack of lightening reduced the wildfire risk. Irrigation continued and an early harvest for most crops is expected, so the need for irrigation might end about the same time the irriga-

tion water supply is depleted. There have been numerous fires within the state, but so far their incidence and size can be termed moderate. However, many large fires historically have occurred in Idaho in the early fall so the potential risk likely will remain high.

### **Agriculture**

July is one of the peak months for Idaho's agricultural workforce, and an estimated 2,940 more people were hired in July than in June, resulting in 37,170 total hired workers. This number is almost 12 percent higher than the July 2002 total. The above normal temperatures this year have accelerated the harvest of many crops by two to three weeks.

Some things to note about Idaho agriculture currently:

- » Spring wheat production level is at its lowest level since 1988.
- » Winter wheat production is up 8 percent from last year, but the Japanese—the major market for Idaho's exported wheat—have declared some varieties of hard red winter wheat unacceptable.
- » Sugar beet production is projected to be 11 percent more than in 2002, but it is too early to project the price levels.
- » The prices received for all potatoes is less than half of those received in 2002: \$3.80 cwt. in 2003 vs. \$8.75 cwt in 2002; and, \$3.80 cwt for fresh pack now vs. \$12.00 in 2002.
- » Prices are up from last year for cattle (\$68.20 cwt. vs. \$57.60), calves (\$99.00 vs. \$84.00), and all milk (\$11.00 cwt. vs. \$10.30).

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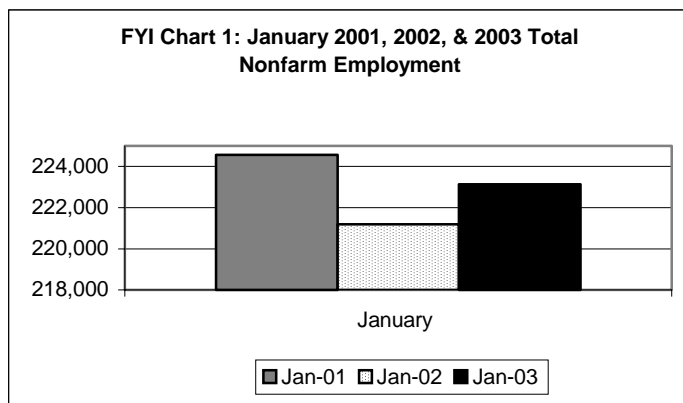
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## BOISE MSA TOTAL NONFARM EMPLOYMENT FIRST QUARTER 2003, 2002, & 2001

(Please note: First quarter 2003 data is preliminary.)

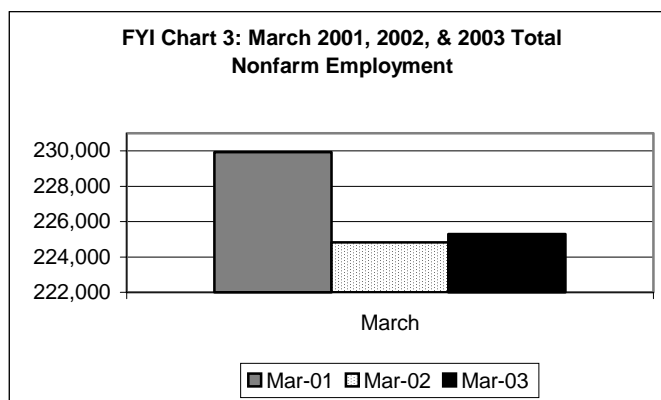
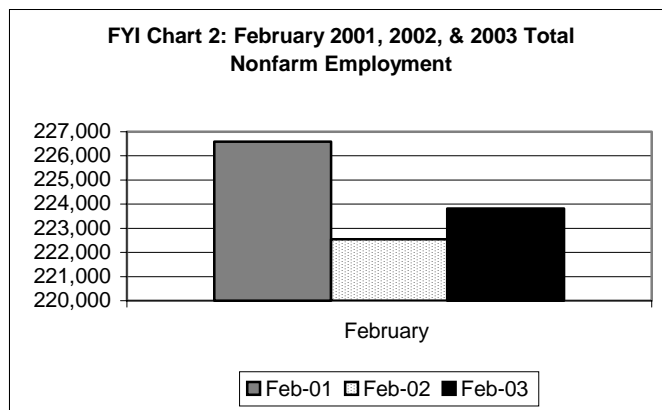
During the first quarter of 2003, total nonfarm employment in the Boise Metropolitan Statistical Area (MSA) recovered slightly from the first quarter of 2002. The first quarter of 2003 averaged 1,223 more jobs than in the first quarter of one year ago. In the first quarter of 2002, however, the Boise MSA's nonfarm employment totals were well below what they were in the first quarter of 2001. While the first quarter 2003 nonfarm employment is higher than in 2002, it is still lower than 2001.

The January 2003 total nonfarm employment level was 223,135. There were 1,937 more jobs in the Boise MSA economy in January 2003 than there were in January 2002. While this is a good yearly increase in employment between January 2002 and January 2003, it is still 1,429 less than the January 2001 total nonfarm figure of 224,564 jobs. FYI Chart 1 shows the total nonfarm employment figures for January 2001, 2002, and 2003.



The February 2003 nonfarm employment total showed an increase from the February 2002 figure of 1,262, for a total of 223,813 jobs. In February 2002, total nonfarm employment in the Boise MSA was 222,551, down from the February 2001 total of 226,593. While there was a good increase from February 2002 to 2003, there were still 2,780 fewer jobs in the Boise MSA economy than in February 2001. FYI Chart 2 shows the total nonfarm employment figures for February 2001, 2002, and 2003.

In March 2003 the increase in jobs from year-ago levels was not as large as in January and February of 2003. Total nonfarm employment in March 2003 was 225,291—only 471 more jobs than March 2002 and still 4,632 fewer jobs than in March 2001. In March 2002 total nonfarm



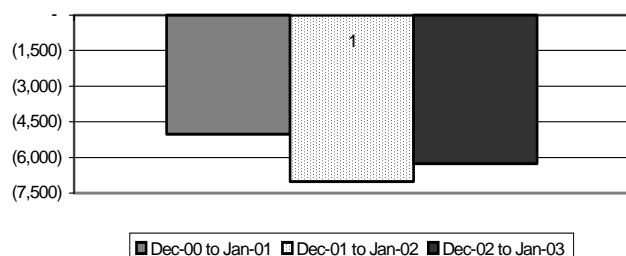
employment in the Boise MSA was 224,820, a decrease of more than 5,000 jobs from March 2001. FYI Chart 3 shows the total nonfarm employment figures for March 2001, 2002, and 2003.

Despite the increased total nonfarm employment in the Boise MSA in the first quarter of 2003 compared to the first quarter of 2002, the actual monthly increases in February and March were lower in 2003 than in 2002 and 2001, but the January 2003 employment drop was larger than in the previous two years. This scenario indicates a strong fourth quarter in 2002.

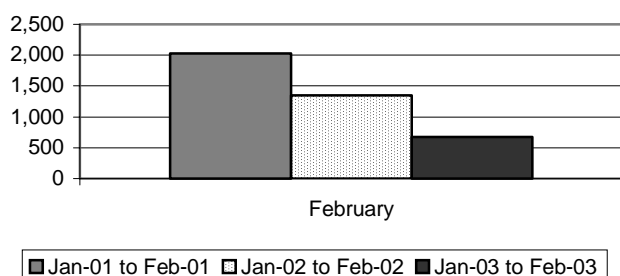
It is important to point out that the December to January employment decreases are related to seasonal factors. In January 2002 the Boise MSA lost 7,024 jobs from December 2001, which is 1,992 more than the 5,032 jobs that were lost in January 2001. In January 2003, employment declined by 7,288 jobs over the month—264 more jobs lost than in 2002. FYI Chart 4 on page 24 shows the employment declines from December to January in 2001, 2002, and 2003.

In February 2003, the usual increase in total nonfarm employment from January was less than in the previous two years. FYI Chart 5 on page 24 shows that the month-over-month employment increase in February

**FYI Chart 4: December to January Total Nonfarm Employment change in 2001, 2002, & 2003**



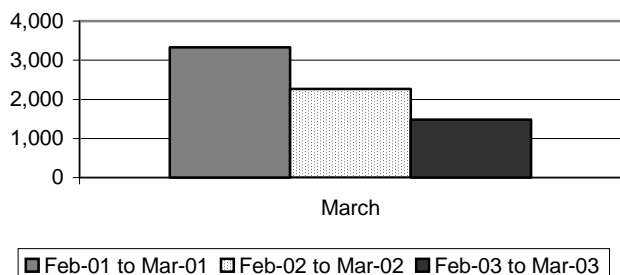
**FYI Chart 5: January to February Total Nonfarm Employment change in 2001, 2002, & 2003**



2003 was almost half of the increase of February 2002, and one-third of the January to February 2001 increase.

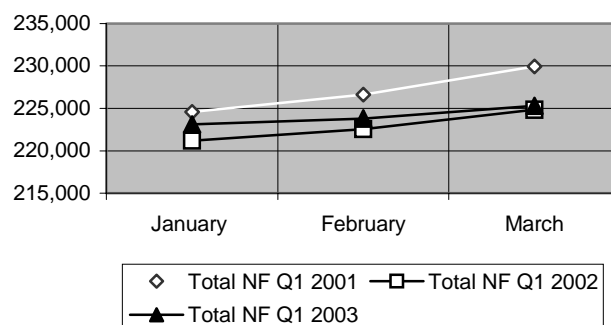
The Boise MSA nonfarm month-over-month employment increase from February to March 2003 was 1,478 jobs. This increase is 791 less than the increase from February to March 2002, which was 2,269 jobs—1,061 jobs less than the March 2001 increase of 3,330 jobs. Chart 6 shows the declining employment increases in the February to March time period for 2001, 2002, and 2003.

**FYI Chart 6: February to March Total Nonfarm Employment change in 2001, 2002, & 2003**



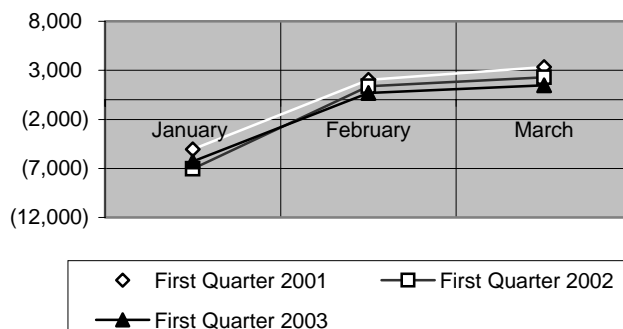
Total nonfarm employment in the Boise MSA was higher in each month of the first quarter of 2003 when compared to each month of the first quarter of 2002, but was lower than the first quarter of 2001. FYI Graph 1 shows total nonfarm employment for the first quarter in the Boise MSA for the 2001, 2002, and 2003.

**FYI Graph 1: Total Nonfarm Employment by Month First Quarter 2001, 2002, & 2003**



Employment in the first quarter of 2003 was higher than in the first quarter 2002, despite a larger employment loss in January and smaller monthly employment gains in February and March than were experienced in 2001 and 2002. FYI Graph 2 shows the monthly changes in employment for the first quarters of 2001, 2002, and 2003.

**FYI Graph 2: First Quarter 2001, 2002, & 2003 Monthly Change in Employment**



When second quarter 2003 data becomes available, a comparison to second quarter 2002 will show if total nonfarm employment levels in the Boise MSA have remained above the 2002 employment levels. If so, it could indicate a slight recovery is underway.

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# Glossary of Labor Market Terms

**Agriculture Employment:** Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

**Average Hourly Earnings/Average Weekly Hours:** The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12<sup>th</sup> of the month.

**Average Weekly Earnings:** Average Hourly Earnings multiplied by Average Weekly Hours.

**Civilian Labor Force:** A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

**Consumer Price Index (CPI):** A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

**Covered Employers:** Employers who are subject to state and federal Unemployment Insurance laws.

**Durable Goods:** Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

**Employed:** Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12<sup>th</sup> day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

**Initial Claim:** Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

**Labor Market Area (LMA):** An area that consists of a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographic area within which individuals can reside and find employment without changing place of residence. Idaho has nine LMAs.

**Metropolitan Statistical Area (MSA):** An area that has either a city with a population of at least 50,000 or a Bureau of Census urbanized area of at least 50,000 and a

total metropolitan area of at least 100,000. The Office of Management and Budget designates the MSAs. There are five MSAs in Idaho—Boise City-Nampa MSA (including Ada and Canyon Counties), Coeur d'Alene MSA (Kootenai County), Idaho Falls MSA (Jefferson and Bonneville Counties), Lewiston MSA (Nez Perce County in Idaho and Asotin County in Washington), Logan MSA (Franklin County and the Logan, Utah, Metro Area), and Pocatello City (Bannock County).

**Nonfarm Wage & Salary Employment:** Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12<sup>th</sup> of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

**Nondurable Goods:** Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

**Seasonally Adjusted:** Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

**Unemployed:** Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12<sup>th</sup> of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

**Unemployment Insurance:** Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

**Unemployment Rate:** The number of persons unemployed expressed as a percentage of the labor force.

**Weekly Benefit Amount:** The amount payable to a claimant for a compensable week of total unemployment.

**Weeks Claimed:** The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

**Weeks Compensated:** The number of weeks for which compensation was actually paid.

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